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Berisha Meets With Kosovo Rural Party Leader

AU2207104493 Tirana ATA in English 1008 GMT 22 Jul 93

[Text] Tirana, July 22 (ATA)—On July 21, President Berisha met with the leader of the Rural Party of Kosova, Ivzi Islami. Mr. Berisha briefed him on the efforts of Albania to prevent the spillover of the war being waged in former Yugoslavia and to attain a political solution. President Berisha laid the stress on the need of establishing harmony and collaboration between the Albanian parties in Kosova, with the aim of enhancing their political influence. The all Albanian coordination of the diplomatic activity is very significant, said he. Diplomacy should be guided by clarity and realism.

Mr. Ivzi Islami said that the situation in Kosova continues to be grave and the Serb party displays no sign for serious collaboration.

Zhulali Assesses 'Symbolic' U.S. Visit

AU2207083893 Tirana RILINDJA DEMOKRATIKE in Albanian 26 Jun 93 pp 1-2

[Interview with Defense Minister Safet Zhulali by Rakip Sulce; place and date not given: "Here Is Our Model; Let Us Build Albanian Reality Accordingly"]

[Text] [Sulce] You are the first Albanian defense minister in the history of U.S.-Albanian relations to be invited to the Pentagon. You are also the first Albanian minister and the first defense minister from a former communist country to be invited by the new Clinton administration. Is all this luck, accident, or necessity? More precisely, what justified your invitation to the United States?

[Zhulali] It was a visit at the invitation of U.S. Defense Secretary Les Aspin.

It is true that so far only three ministers from Western countries have visited the United States and met Clinton's new administration.

This was a symbolic and historic visit. The visit took place at an important time in the development of events in the Balkans, where there is a great deal of tension. My visit essentially showed the support of the United States for Albania's peace and stability, giving the best example for preventing the conflict from spreading to Kosovo and beyond.

[Sulce] What was the value of your visit in a military sense?

[Zhulali] Our Army is undergoing a process of restructuring, learning from the experience of the armies of democratic countries, especially NATO countries and the United States. In the last year various servicemen have also exchanged visits. However, the time has come to raise the level of this cooperation.

We were given the opportunity to visit four of the largest bases in the United States, and we were openly and freely shown all the experience of the U.S. Army in the basic training of soldiers, officers, noncommissioned officers, sailors, airmen, and infantry. We saw the special training of all the bases we visited.

The U.S. servicemen devoted special attention to showing us the training programs for noncommissioned officers.

As this rank has been absent from the structure of our Army for a long time, we want to reaffirm the role of noncommissioned officers.

We gained very valuable experience in the United States in order to enable us to make a decision to train and prepare noncommissioned officers. This could be done by sending them to the United States or with the help of U.S. experts in Albania. They also showed us other aspects of the life of U.S. soldiers.

They were ready to share their experience with the Albanian Army.

At the same time, we discussed the program of specific aid for Albania, both material and in the field of education.

In 1992, the amount of aid for Albania was $80,000.

In 1993, this rose to approximately $200,000 and will increase further in the future. We also discussed how we could acquire more vital material aid for restructuring the Albanian Army.

At the U.S. bases, we also met five Albanian students studying there on U.S. Government scholarships.

Our meeting with them was one of the most enjoyable parts of our visit. I want to emphasize that these students were among the best not only among foreign students but even among the Americans. In particular, Agron Hima was among the best with a one in all his marks (one is the highest mark).

Three of our five students have won special prizes, will extend their period of study, and will embark on specialist courses.

We also sought to profit in the field of legislation, military doctrine, etc.

[Sulce] What was the value of the visit in the political sense?

[Zhulali] No doubt, its greatest value lay in the political field. My visit itself was political support for Albania. Politicians themselves said this on several occasions. The first to say this was Defense Secretary Les Aspin, when he said that my visit had a great symbolic significance for the policies pursued by Albania and its achievements in democracy. Mr. Berger, deputy chairman of the National Security Council, said the same thing, adding that the United States wishes Albania

to be a model for all the countries of the East. Mrs. Davis, assistant secretary of state, was also very pleased at our meeting and said that I was in the United States precisely because of the support that the United States is giving to Albania. Senator Carl Levin and all the other personalities we met also expressed special benevolence toward Albania and showed appreciation of Albania's achievements and the achievements of the Albanian Army, as the most advanced in all the countries of East Europe.

[Sulce] What would you single out as your most ineradicable impression of the United States?

[Zhulali] Of course, my first day there and the welcome extended to me were unforgettable. My visit to Arlington Cemetery also had a great impression on me. I was struck by the moral purity of the American people and the fact that they neither smoke nor drink alcohol, while Albanians imagine Americans to be people full of vices.

I would say that those who do not know America can learn about the country only by direct contact. I would also say that the United States is the most perfect model of democracy in the world today.

[Sulce] While we are talking about the days of your visit, we know that it lasted a full 10 days. A certain person, knowing that it is not the practice of U.S. protocol to extend official invitations for so long a period, i.e. 10 days, insinuated that your visit to the United States was not a serious one. How would you reply to this insinuation?

[Zhulali] We were going to the United States for the first time. A normal diplomatic contact would not have been enough to acquaint ourselves thoroughly with American reality, to enable ourselves to set out our needs not only in statements and declarations, to get to know each other better, and to sound our opinions about the options for the situation in the Balkan region.

I think that the program for the visit was excellent and highly serious. Our working days were intensive, with no less than 10 hours of intensive work a day. They had undertaken very serious and exceptional preparations.

They showed themselves very ready to reply to our questions and requests.

Interview With National Unity Party Chairman

AU2207082293 Tirana ZERI I POPULLIT in Albanian 1 Jul 93 p 2

["Our Editor" interview with Idajet Beqiri, chairman of the National Unity Party; place and date not given: "Mr. Berisha, You Cannot Maintain Power With Violence, Force, Arrests, and Prisons"]

[Text] [ZERI I POPULLIT] Mr. Beqiri, we have been informed that you are under house arrest and have been accused of "insults and slander against President of the Republic Sali Berisha." Can you tell us something about this?

[Beqiri] In brief, I can tell you that the charge against me has no legal basis. Neither the National Unity Party [PUK], I, nor our party's newspaper KOMBI have insulted or slandered anyone, and certainly not President Berisha.

Mr. Berisha long ago placed a "guard" on us as a party and on me personally. He found a pretext in an article published in KOMBI, "Mr. Berisha, You Are the 'Murderer' of All Albania." In fact, resolute stands and activities in defense of the national cause have never been to the taste of the president and his Democratic Party [PD]. We are an opposition party and have publicly stated that we seek national unification through democratic means. As a result, we cannot agree with many stands and activities of the president and the PD, especially when national unity is seriously threatened.

However, for Mr. Berisha, there is only "who is not with me is against me—there is no middle way." If a legal political party and its leader have no right to express their opinions and views, including those about the "top of the pyramid," what meaning is there in the establishment of political pluralism and freedom of speech, thought, and the press?

[ZERI I POPULLIT] According to you, where do the "insults and slander" of which you are accused lie?

[Beqiri] Where do they lie? I have asked this question of myself several times and found no answer. In this specific case, the article gives specific arguments and facts about destabilizing and perverse activities and the serious political and social tensions that are being artificially encouraged in order to sow division in Albania. We, the presidium of the party, considered that these facts amounted to "murder," because that is what in essence they are. To excoriate these evils and to point them out to the president of the Republic, who is the guarantee of national unity, is neither insult nor slander.

The events of 18 June in the city of Shkoder, with the contrived "antirally" and the president's attitude toward it, were the starting point for the party presidium's analysis of the situation. Performing new "experiments" in Shkoder and speaking out as President Berisha did since 2 April 1991 is a national disaster. Whether we like it or not, such statements encourage fratricide and division among the Albanians. If the article states that the president, in the incidents that were listed, has become the "murderer" of Albania, this means that we criticized his irresolute attitudes, his irresponsible statements, and his failure to rise above the parties, in order to make him a genuine and trustworthy guarantee of national unity. When a president humbly receives Ndue Gjonmarkaj, who himself stated on Albanian Television that he murdered the four heroines of Mirdite, this is nothing but the "murder" of Albania.

The president has upset the relations between us. If he is the president of the Republic, I am the president of the PUK. We therefore have a real and mutual political, state, legal, and national relationship. Everything that I lay at his door involves an assessment of his work, attitudes, and activities, either in the interests of the nation or against them. These attitudes, views, pieces of advice, or constructive criticisms made by one individual against another are matters of a personal nature. I think that the president has taken no notice of some of them.

But why should we remain silent when he appoints Anastasio Janullatos archbishop of Albania? We see the "benefit" now. We now see what his ill-considered step has cost us. Why should we then say "amen" when he recognizes at lightning speed the Republic of Macedonia, and offers this recognition as a "reward" for the murderers of our sons and for unprecedented discrimination against the Albanians? Our state's step in this case was "murder" for the Albanians in Macedonia and our entire nation.

Could we and can we agree with Mr. Berisha's totally irresponsible statements about neither "Greater Albania" nor "Lesser Albania"; "Those who seek national unification are not serious political forces in Albania"; "We do not seek border changes"; "Qosja is a communist", etc., etc.? This is especially true when we see that time and the rapid course of events have shown that we have not only not gained anything, but have lost more than we can say. These are not "insults" or slander.

[ZERI I POPULLIT] As far as we know, you are a member of the Organizing Committee for the Pan-national Assembly.

[Beqiri] I am, and it is an honor to be a member of this committee. Albania's salvation lies only in holding the Pan-national Assembly. When Professor Rexhep Qosja took it in hand, Ismail Kadare and many other intellectuals of repute supported it, and it still has its value, although it is late. If we had held the assembly and had drafted and approved a single national program, we would have presented ourselves differently to Europe and the world. However, Mr. Berisha did not and still does not want this assembly to be held. I possess many facts to show his outright opposition to this great national event, even though, when he took his "oath" when he assumed the presidency, he spoke differently to the way he has behaved and still behaves!

[ZERI I POPULLIT] How do you feel? Are you worried about anything in your present state of house arrest?

[Beqiri] I feel calm. I am only worried about one thing: How will Albania cope with its troubles, when the most elementary standards of democracy are violated? How can you pretend that you are a "democrat" and are building democracy when you have your gunsights trained on the opposition press with accusations, trials, and arrests? God help us! We overthrew a dictatorship, but now another unprincipled kind of dictatorship has arisen. Now we have to at all costs think and speak like "Zeus-Berisha." He cannot maintain power with violence, force, arrests, and prisons.

ATA Views Privatization of Buildings

AU2107113693 Tirana ATA in English 1018 GMT 21 Jul 93

[Privatization of buildings: achievements and problems—ATA headline]

[Text] Tirana, July 21 (ATA)—About 200,000 dwelling flats in 36 cities and over 1,000 other dwelling centers in Albania, are now in the process of privatization. In respect, the housing offices in all districts are functioning. So far 35,000 flats have been privatized. But still not all official papers, which guarantees ownership according to law, have been completed. One of the reasons is that there is only a notary office, where the citizens can get title deeds. So far, title deeds have been filled for 8,000 owners out of 35,000 flats that are privatized.

The end of 1993 is the deadline for the process of privatization of houses in Albania and after December 31, 1993 nobody can privatize the building and it remains a state ownership. Six months have passed and over ¼ of the total number of flats have been privatized.

Zhelev Receives Agrarian Party Leader Mozer

AU2007202893 Sofia BTA in English 1948 GMT 20 Jul 93

["Today"—BTA lead]

[Excerpts] Sofia, July 20 (BTA)—President Zhelyu Zhelev met today Mrs. Anastasiya Mozer, leader of the extraparliamentary Bulgarian Agrarian Party (BZNS). The meeting focused on the agrarian reform and the possibility of holding early parliamentary elections. Mrs. Mozer informed the president of the forthcoming meetings of the BZNS with parliamentary and extraparliamentary parties, the president's Press Office announced.

The BZNS of Mrs. Anastasiya Mozer has proposed to hold a meeting of parliamentary and extraparliamentary forces on July 27 in parliament to discuss all possibilities for and stands of the individual parties on the holding of early parliamentary elections, journalists were told at a news conference today. This proposal was later rejected by consensus by the parliamentary group of the Union of Democratic Forces (SDS) which, however, declared itself for continuing dialogue with Mrs. Mozer's party and for promoting its contacts with it, journalists were told today by MP's of the SDS coalition. [passage omitted]

A government working group headed by Prime Minister Lyuben Berov and Deputy Prime Minister Valentin Karabashev will unite into one the two mass privatization projects proposed by Mr. Berov and Mr. Karabashev respectively, Deputy Prime Minister Evgeni Matinchev said after today's regular session of the National Council for Tripartite Cooperation (a consultative body between the government, the trade unions and the employers). Both major trade union amalgamations in this country were critical of the two projects and made their proposals for the future project. These proposals will be taken into account, Deputy Prime Minister Matinchev said. The participants in the council approved a proposal to include freight and railway transport, freight and passenger urban and intercity automobile transport and drinking and industrial water into the basket of commodities the prices of which are monitored by the Council of Ministers.

About 140,500 hectares of land have been restored to their former owners. This is one quarter of the land which has been applied for, a National Statistical Institute spokesperson said at a briefing today.

The Bulgarian Socialist Party (BSP) is surprised by the passivity of the government in meeting its commitments and by the delay in the agrarian reform, Prof. Vladimir Topencharov, member of the BSP Executive Bureau, said at a press conference today.

At its regular session today the National Coordinating Council of the Union of Democratic Forces (SDS) adopted changes in the statutes of the SDS concerning the work of the local coordinating councils of the SDS. The supreme leadership of the SDS also discussed a draft memorandum analyzing the SDS's one year in power, justifying the stand of the SDS for early parliamentary elections and outlining the parameters of cooperation with other parties before and after the elections. By the end of this week the parties in the coalition are expected to come out with a stand on the draft memorandum.

At its meeting today the parliamentary group of the SDS decided to plead for starting debates on the no confidence vote in the government motion prompted by what the SDS calls the government's gaffe concerning this country's debt to foreign creditor banks servicing. According to the parliamentary rules of procedure, the no confidence motion should be put to the vote within 24 hours after the completion of the debates on it. [passage omitted]

The Bulgarian Socialist Party [BSP] leadership issued a declaration protesting yesterday's Supreme Court decision confirming the sentences of ex-Premier Georgi Atanasov and former Minister of the Economy and Planning Stoyan Ovcharov, found guilty of economic crimes. In connection with the decision the BSP voiced its protest and condemned judicial repressions, aimed to instill fear in political opponents and society as a whole, as well as to politicize the judiciary, the declaration says. [passage omitted]

Bulgarian ambassador to the Democratic People's Republic of Korea presented his credentials to President Kim Il-song.

Neev Meets Representatives of Commercial Banks

AU2107195893 Sofia BTA in English 2045 GMT 21 Jul 93

["Today"—BTA lead]

[Text] Sofia, July 21 (BTA)—Deputy Prime Minister Neycho Neev today held his third working meeting with representatives of the Association of Bulgarian Commercial Banks. Mr. Neev was handed a draft protocol on cooperation with the government. It says Bulgarian commercial banks need to join efforts to help settle the grave problems facing the Bulgarian economy. Cooperation with the government should be aimed to settle the grave difficulties to industry and farming, set up economic associations among banks and state-run companies and expand the relations among the Bulgarian banks, companies and international economic groups. Mr. Neev said he would familiarize Prime Minister Lyuben Berov and the government with the project, which would be soon discussed at a Council of Ministers meeting.

"I am pessimistic about the possibility of Bulgarian companies receiving compensations for embargo-related losses," Finance Minister Stoyan Aleksandrov told the press in Khaskovo, southern Bulgaria. The minister met with Regional Governor Tenyu Delchev and was briefed

on problems facing the tax services and tips of irregularities at the customs in Svilengard on Bulgaria's border with Turkey and Greece and its office in Khaskovo.

A Bulgarian Socialist Party (BSP) delegation visited Belgrade from July 19 through 21 at the invitation of the Serbian Socialist Party, the radio correspondent in Belgrade said today in the central evening newscast of the national radio. The delegation met with representatives of political parties and state institutions of Serbia and Montenegro. The talks focused on the situation in the Balkans, the development of the Yugo-crisis and the activation of bilateral cooperation, the correspondent of the Bulgarian national radio reported.

The Alliance for Social Democracy (OSD), a radical trend within the Bulgarian Socialist Party (BSP), is working on an alternative draft programme, to the one drafted by the BSP, the OSD informed a regular press conference today. An OSD member described the motion of the Union of Democratic Forces (SDS) for a no-confidence vote in the cabinet of Professor Lyuben Berov, an independent economist, as most illogical.

The MP's of the Civil Alliance for the Republic (GOR), an open alliance set up by Socialist MP's, who are members of the parliamentary group of the BSP will vote confidence in the cabinet of Professor Berov, GOR leader Aleksandur Tomov told a regular press conference. The unceasing no-confidence motions moved by the SDS are part of an SDS plan to destabilize Bulgaria, the GOR leader claims. GOR has drafted a project for solving the bad debts problems of Bulgarian companies. It will presently be submitted to the governor of the Bulgarian National Bank Professor Todor Vulchev. Experts with which GOR worked in drafting the project estimate the bad credits of Bulgarian enterprises to total some 120 billion leva (equal to 5 billion U.S. dollars) half of them amassed after December 30, 1990, said Mr. Tomov.

The Confederation of Independent Trade Unions in Bulgaria (KNSB) threatens to withdraw its support for the government and its reforms, unless the trade unions come into possession of the redistributed municipal property by September 1. This announcement of the leadership of this major trade union amalgamation comes six months after the cabinet's decision for redistributing the property confiscated from the former Bulgarian Trade Unions (the official trade unions during the totalitarian regime) between the state, KNSB and Podkrepa Labour Confederation in a 10:55:35 correlation.

The Strike Committee of the Bulgarian workers in Komi and representatives of the government and the Forestry Committee have failed to reach an agreement for a third week, Strike Committee members told a news conference today. In case the future of the timber industry in Komi remains an unsolved problem, timber workers threaten to return to Bulgaria and occupy the building of the Council of Ministers.

At a joint meeting here the Parliamentary Committees on Radio and Television and on National Security discussed the legality of Interior Minister Viktor Mikhaylov's order to move special anti-terrorist troops into the Bulgarian National Television (BNT) headquarters on June 24. "The ministry received tips extremists would storm the BNT building," Mr. Mikhaylov explained, answering an MP question in parliament on June 25. The two parliamentary committees today issued a statement saying the interior minister's actions intended to strengthen the security of the BNT headquarters were to the purpose and complied with his obligations. The SDS MP's recorded their dissent.

The Parliamentary Committee on Culture today discussed a bill on the Rila Monastery (southwestern Bulgaria). It is intended to strike a balance between freeing the monastery from government's control and the government's obligation to protect cultural monuments of world importance, the bill's sponsor said. For the time being, the committee will move a decision to return the monastery's property and free it from taxes and will recommend the Ministry of Culture and the Holy Synod of the Bulgarian Orthodox Church to speed up the negotiations on the monastery's status.

Deputy Prime Minister Neycho Neev today met with local government officials in Plovdiv, southern Bulgaria. The discussion focused on the process of partitioning the land in the Plovdiv region.

The Supreme Judicial Council relieved Nedko Dobrilov of his post as chairman of the Sofia Regional Court following his appointment as first deputy justice minister, spokesman Vladislav Slavov announced after today's meeting of the council. Neli Kutskova, so far deputy justice minister, was appointed chairwoman of the Sofia Regional Court. The Supreme Judicial Council appointed or reappointed seven judges, four prosecutors and eighteen examining magistrates.

An enforced motorized infantry battalion of the Third Bulgarian Army interacting with artillery, tank and Air Force units today conducted a tactical firing drill at the Novo Selo range, in close-to-real conditions, the BTA correspondent in Sliven, southern Bulgaria reported. The drill, completing months of personnel training, was observed by the chief of General Staff of the Bulgarian Army Army General Lyuben Petrov, by Infantry Commander Lieutenant General Tsvetan Totomirov and military experts. General Petrov told the press he was pleased with the officers' professionalism, with the good coordination and the overall organization.

The Plama refinery in the city of Pleven has lost $50 million by failing to fulfill contracts as a result of the Yugoembargo, the local BTA correspondent reported today. According to the chief of the refinery Nikola Pukalski, the discontinuation of economic contacts with Serbia has impeded the implementation of major investment projects and the ban on the navigation of the River

Danube has also stopped exports of diesel fuel for Germany, Austria and Italy.

The Russian flag was raised today on the first of a series of 2,100-tonne tankers built at the shipyards in the city of Ruse (on the Danube) on the commission of Likopprommarket LTD-Moscow, the local BTA correspondent reported. The second ship will be launched tomorrow. Apart from these six tankers the Ruse shipyards will also build eighteen 3,900-tonne tankers on the commission of the same Russian company.

The opening of a Balkan Social Partnership Centre and of a Correspondent Office of the Russian DELO daily in Bulgaria is aimed at assisting the solution of socio-economic problems which are to a certain degree common to all East European countries and the restoration of lost contacts in trade and culture between the East European Countries. Mr. Boris Batarchuk, editor-in-chief of DELO, said at a press conference here today.

250 hectares of land in the region of the town of Pernik (known for its metallurgical combined works) which have been registered as arable are polluted with heavy metals, the local BTA correspondent reported today.

Daskalov Examines International Relations

AU2007152493 Sofia KONTINENT in Bulgarian 16 Jul 93 p 3

[Interview with Foreign Minister Stanislav Daskalov, by Ulyana Prumova; place and date not given: "One-Sided Approach Should Not Be Applied to Foreign Policy and Economic Relations"]

[Excerpt] [Prumova] Bulgaria's foreign policy appears to be more independent today, but its place on the international scene seems to have lost some of its weight. What and whom could our country rely upon in connection with increasing its prestige?

[Daskalov] I do not share your opinion on our country having lost some of its prestige. The radical changes in domestic and foreign policy conditions created opportunities for Bulgaria to promote an independent foreign policy based on the defense of our national interests and on democratic values. In my view, this policy precisely contributes to the increased confidence of the international community in our country. Hence, the acceleration of the democratic changes guaranteeing the transition to market economy and a rule-of-law society are of particular significance. It is also very important to consolidate the country's internal stability and to guarantee continuity in our foreign policy.

Further integration with the European structures is also of great importance, and the same applies to developing good relations with all Balkan countries and to preventing a one-sided approach in foreign political and economic relations.

[Prumova] The following three institutions, namely the government, parliament, and the president, are in charge of foreign political functions and authorized to take initiatives in this sphere. Who is supposed to determine the priorities in our foreign policy and are the aforementioned institutions coordinating their actions?

[Daskalov] The Ministry of Foreign Affairs does not determine our foreign policy priorities. The Council of Ministers' and the Foreign Ministry's constitutional rights authorize us as chief coordinators and executives to implement this policy.

[Prumova] Prime Minister Berov submitted a special note to the ambassadors of the UN Security Council permanent member-countries on compensations for our losses caused by the embargo and asking for authorization to establish a transit corridor through the Federal Republic of Yugoslavia [FRY]. For the time being, only the United States and Russia have responded. What is the opinion of the other great powers?

[Daskalov] Our note does not envisage a deadline for the reply. So far, only Russia has answered. As soon as the other states respond, we shall know their views.

[Prumova] At the summer session of the UN Economic and Social Council [ECOSOC] Bulgaria proposed a draft resolution on alleviating the burden of the damages caused by the sanctions against Yugoslavia to the most affected countries.

[Daskalov] Evidently, it will be difficult to achieve this goal within the framework of this organ. Certain groups of countries are opposing the mechanism of compensations.

[Prumova] Do you have the feeling that the trend of disregarding the problems of the countries in transition is recently intensifying at the sessions of UN organizations?

[Daskalov] This is true and results from the increased pressure of the developing countries and from the difficulties that the states in question have to cope with. Our representatives are trying, and have done so successfully in certain cases, to resist this trend. The great losses which our country is suffering as a result of strictly observing the embargo are a very strong argument in favor of Bulgaria's claims.

[Prumova] What real assistance can we expect from international economic organizations?

[Daskalov] The assistance of the international organizations is not automatically granted. Great efforts are required in order to obtain it, efforts which are sometimes disproportionally greater than the result. The assistance should be requested according to specific methods and the priority spheres in which it would be most useful for us must be determined.

[Prumova] Our relations with the FRY are not too good. Does the Foreign Ministry intend to intensify relations with our neighbor country?

[Daskalov] Bulgaria is conducting a well-intentioned policy with all its neighbors. In this particular case our policy is implemented under the conditions of the sanctions, which however, should not affect our future relations. The foundations of our bilateral cooperation are still intact. As soon as the international community decides to call off the sanctions, we are ready to develop the entire spectrum of contacts and relations, based on a solid contractual and legal basis, in the traditional spirit of relations between our two countries.

[Prumova] There are rumors about Prime Minister Lyuben Berov visiting Belgrade in August?

[Daskalov] If such a visit should take place, it will presumably be held within the framework of consultations on our request for a transit corridor. Naturally this cannot be achieved without negotiations with Belgrade.

[Prumova] Is it true that on the occasion of the Bulgarian government delegation's visit to Skopje Prime Minister Berov was requested to support Macedonia's application to join Black Sea cooperation?

[Daskalov] Yes, Macedonia showed interest in this respect.

[Prumova] Stoyan Ganev's foreign policy initiatives sometimes puzzled the public abroad, but some people admired him as an independent foreign minister. What kind of foreign minister do you intend to be?

[Daskalov] I think that foreign policy initiatives should be well-considered, discussed, and coordinated on a domestic scale. I am against actions aimed at publicity effects at home. [passage omitted]

Talks Held With Lebanese Foreign Ministry

AU2007181593 Sofia BTA in English 1728 GMT 20 Jul 93

[Text] Sofia, July 20 (BTA)—The Foreign Ministries of Bulgaria and Lebanon ended their two-day political consultations in Lebanon, the Foreign Ministry's Press Office said today. The Bulgarian delegation, headed by First Deputy Foreign Minister Valentin Gatsinski, held talks with Mr. Zafer al-Hasan [spelling as received], general secretary at the Foreign Ministry, and was received by Foreign Minister Faris Buwayz.

It was agreed to speed the drawing up of a cooperation protocol to be signed by the two Foreign Ministries by year's end.

It was stressed the legal framework regulating bilateral economic relations needed updating. The Lebanese side expressed readiness to set up an intergovernment commission for economic, industrial and technological cooperation. It also suggested that the Bulgarian and the Beirut Chambers of Commerce and Industry sign a cooperation agreement by year's end. It was said contacts between private entrepreneurs should be updated.

At a lunch today Mr. Gatsinski conveyed to President Ilyas al-Hirawi greetings and wishes for the promotion of bilateral cooperation and contacts, including high level contacts, from President Zhelyu Zhelev.

Industry Minister Interviewed on Privatization

AU2107115093 Sofia BTA in English 1017 GMT 21 Jul 93

[Text] Sofia, July 21 (BTA)—The purpose of the Ministry of Industry is to apply the market strategy in the development of Bulgarian industry. Its programme sets out clear-cut and specific actions aimed to introduce the principles of market economy. Notwithstanding the change of cabinets and ministers, the principles will continue to be applied, Minister of Industry Rumen Bikov stresses in an interview which STANDART NEWS carries today.

However, the efficient application of those principles depends not only on the will of the executive branch but on the economic realities as well, first of all on the inherited structure which is yet to be readjusted, Mr. Bikov reminds.

"As to the restructuring of the separate branches, the major problems have to do with what it is aimed at and the mechanisms of its implementation. Our general purpose is to curb the decline of production. But the privatization, liquidation and rehabilitation of separate enterprises run in parallel to these efforts. At the moment about five or six projects have already reached their final stage and in my opinion the process has been going on successfully," the minister of industry says.

According to Mr. Bikov, foreign investments are largely and most successfully realized in the form of joint ventures. Judging by the interest already shown and the documents filed, the Ministry of Industry expects investments estimated at about 2,500 - 3,000 million leva this year, Minister Bikov says.

"Of course, the amount is small but it is predetermined by the possibilities of our enterprises and the foreign companies' actual interest. And yet I would like to say that the interest in Bulgaria's industry has been mounting. In the first quarter of 1993 taken alone the ministry received proposals for the establishment of 107 companies with foreign capital," Mr. Bikov points out in the interview.

Ministry Reacts to Jordan Ban on Meat Imports

AU2007132493 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 20 Jul 93

[Text] The Ministry of Agriculture promptly reacted to yesterday's announcement about Jordan banning the

imports of lambs and lamb meat from Bulgaria because of foot-and-mouth disease [FMD] danger.

After talks with the EC and FAO [Food and Agriculture Organization of the United Nations], the fax received at the Ministry of Agriculture assures the Bulgarian side that the international organizations have not provided any evidence or arguments likely to influence Jordan's action.

According to Dr. Todor Aleksandrov, director general of the Bulgarian National Veterinarian-Medical Service, it has something to do with the involvement of external interests, which he could not specify, but he promised to discuss the question with the Jordanian verterinarian authorities on a purely professional level as early as tonight.

More Explanation of SDS No-Confidence Vote

AU2207072293 Sofia DEMOKRATSIYA in Bulgarian 16 Jul 93 p 3

[Second Installment of "Motivations of the Union of Democratic Forces (SDS) Parliamentary Group in Support of the Proposal of No-Confidence Vote Against the Government"]

[Text] On the basis of Council of Ministers Decree No. 102 of 31 May 1992 the government, taking advantage of its presumed right to decide on local taxation, actually determined the amounts of taxes and fees (for example in the case of donations and motor vehicles) or of duplicating rents (related to commercial areas). This act of the government definitely represents a **violation of the Constitution of the Republic of Bulgaria.** The text of the Constitution is specific in this respect. Article 60 stipulates that citizens are obliged to pay taxes and duties, **determined by law** in accordance with their incomes and property. Tax exemptions and tax increases can be determined **only by law.**

From the point of view of local government organs, the aforementioned decree **encroaches upon the democratic principle of local self-government.** It represents a direct interference into their financial policy. The differences in the economic conditions of municipalities are considerable, they differ from one settlement to another, and greatly depend upon numerous factors, such as the size of the settlement, communications facilities, the economic situation, the demographic state of the population, and last but not least, the unemployment rate.

The local administration of a municipality alone is in a position of analyzing all these factors and of assessing the interests of local producers and tradesmen, of the municipality as such, and of the local population. In many places of the country the difficult economic situation is alleviated by relatively low taxation and more accessible rights of engaging in commercial activities. This is why the general intention of the economic reform should be to **grant the municipal councils the right of determining local taxes and fees to a certain limit.** On the one hand, this is likely to consolidate their independence, on the other hand it creates an opportunity for them to develop their own financial policy, settle the economic processes, and find sensible solutions for balancing the unemployment rate with the costs of granting rights to street vendors.

Numerous taxes set up in the tariffs of the government decree are prompting objections. In addition to typical state and municipal taxes, the decree also fixes prices for services, for advertising, for veterinarian and other obligatory services and procedures, for the use of markets, of streets and other open air spaces for commercial activities. Articles 1 and 2 on the tariffs mention fees that actually represent taxes on donations, on the sale and exchange of real estate, and even taxes that are covering up for patent taxes. We are submitting the following, brief arguments on the aforementioned subjects:

Fees for the Use of Markets, Fairs, Streets, Squares, Sidewalks, Etc.

Fees for the use of markets: Drastically increased taxes are being introduced which not only are incompatible with the market conditions, but actually disastrous for the small street vendors. Thus, for example, fees amounting to 120 leva per day, or 3,600 leva per month are supposed to be charged for installing a trailer from which to sell agricultural goods. The use of one square meter of a plot for selling non-agricultural products (such as artisans's goods for example), costs 1,200 leva per month. It is evident that such fees exceed the rent for one square meter of indoor premises in the center of Sofia.

Fees for the use of sidewalks and squares: The size of the fees is expected to reach a daily amount of 40 leva per square meter, which means 1,200 per month. A simple comparison shows that the use of one square meter of sidewalk in peripheral districts of the towns, or in settlements which are cut off from regular communications considerably exceeds the square meter prices of the most expensive shops in capitals, such as Paris, London or New York (where the comparable price is 400-500 leva per square meter), but where the price of the sold goods is much higher. Can the government assume the responsibility of forcing Bulgarian citizens to pay similar prices for the most essential goods?

The aforementioned fees are supposed to be paid in addition to the rent that is collected by the owner. Hence, small private businessmen are actually subject to double exploitation. Moreover, the municipalities are affected, because they are evidently forced to reduce and even to totally deprive themselves of the rents for commercial plots. The fees are imposed regardless of the identity of the owners of plots used for commercial activities. This means that in case a private citizen decides to lease one decare to a tradesman, the state will collect an annual sum of between 10 and 14 million leva from fees alone!

The state is abusing its prerogative of determining local taxes and fees. This is how local fees are transformed into an excessively high rent, or into actual taxes. A typical example for this is the **fee for the right of using motor vehicles,** especially in the case of public transport. It is evidently a question of **road taxes,** which should be settled by a special law and the revenues from which should be spent for the maintainence of the communications network.

Article One of the Council of Ministers Decree No. 102, which refers to taxes on donations, is particularly shocking. The article stipulates that, in cases of donations involving real estate or other assets such as cash and similar values and in establishing property rights for donations, taxes on the price of the property shall be collected. The additional chart shows that the following taxes are due: 140,000 leva for a donation worth 600,00 leva, for example. It is sufficient to recall the current prices of one-room apartments, or of agricultural machines, and so forth. According to Article 2 of the Local Taxation Law, fees must be paid for municipal services. However, what kind of service, worth almost half of the price of a donated property, is that supposed to be? In practice, it means the introduction of excessively high taxes under the cover of fees.

By submitting our objections of principle we are not denying the necessity of updating tariffs and fees based on the new price situation. Nevertheless, the government's decree, rather than pursuing this goal, is simply encroaching upon the rights and interests of citizens and municipalities. Fees are disproportionally increased compared to the inflation rates, namely from 16 to 30 times, and are evidently assuming a fiscal character, without this being coordinated with the different economic conditions of the municipalities. Such an act is likely to create the prerequisites for corruption in connection with establishing fees at a municipal level. It practically represents **a re-centralization of power to the detriment of local organs and is likely to promote inflation and unemployment.**

The decree was adopted while private business organizations, such as the Alliance for Citizens' Economic Initiative [SSIG], which is a member of the Tripartite Commission For Social Cooperation, kept totally silent. The Economic Commission which is always eager to defend **individual** private companies, did not react either, although the interests of all small and medium-size businesses are affected.

According to the SDS Parliamentary Group the taxes and fees recently introduced in Bulgaria are transforming our country into a lawless state. Imposing such heavy duties on small and medium size businesses, can only be aimed at one single goal—namely their total financial ruin. The parliamentary majority is obliged to express its unmistakable and categorical stand on this act of the government which perfectly reflects the total discrepancy between the latter's declared intentions and the real implementation of economic policy.

Our no-confidence vote is a question of parliamentary support for the cabinet. The prime minister and his cabinet are not openly supported by any political force in parliament, at least not according to official statements. Neither the prime minister, nor his cabinet members are the representatives of any of those groups, hence none of the parliamentary forces is responsible for their actions. Nevertheless, the failures of a government cannot help reflecting upon the prestige of the political forces which are supporting the cabinet with their vote.

The SDS Parliamentary Group demands the no-confidence vote in order to show the Bulgarian people who is responsible for the two most striking examples of damaging the Bulgarian state's and the Bulgarian citizens' interests.

State Planning Privatization of Banks

AU2107120093 Sofia BTA in English 1033 GMT 21 Jul 93

[Text] Sofia, July 21 (BTA)—The state is planning to start banking sector denationalization by a sale of the shares it holds in private banks with a state stake of under 30 percent. Later on, the state will divest its holding in the rest of the banks to 51 percent, says Gancho Kolev, chairman of the Board of Directors of the Bank Consolidation Company (BCC), quoted by the Bulgarian Economic Outlook of BTA. Its 30th issue comes out Friday. The scheme was suggested at a BCC general meeting on July 9, attended by cabinet members. The finishing touches are to be put until September 15.

By December 31, 1992 the BCC held shares in the Private First East International Bank (1.5 percent), Plovdiv's Agrobusinessbank (2.1 percent), Turistsportbank (7.5 percent), Dobrudzha Bank (11.6 percent), Kristalbank of Madan (24.6 percent), Businessbank of Petrich (32.1 percent), Bank For Agricultural Credit (42.1 percent) etc. At present, there are a total of 15 private (including cooperative) banks in Bulgaria.

The sale of the state-owned shares will not require a reappraisal of the banks' fixed assets and property. The National Bank, however, will have to determine whether they own enough capital for normal operation and may recommend mergers. Besides, the Central Bank could extend the deadline for raising 200 million leva (the required minimum amount of capital) or lower this threshold. According to the National Bank's Governor Prof. Todor Vulchev, it is unreasonable and even impossible to wind up banks, not least because this would be seen as nationalization of the private sector. The banks with a majority state holding, however, will have their assets and property reappraised. Now there are eleven state consolidated banks (excluding the National Bank and the State Savings Bank). If no buyers come forward when their shares are put up for sale, the state will continue to manage their capital in its own interest.

The BCC has the following holdings in the consolidated banks: 84.4 percent in Plovdiv's Khebrosbank, 80.1

percent in Varna's Expressbank, 68.6# in Biokhimbank, 70.0 percent in Balkanbank, 87.7 percen' in United Bulgarian Bank, 98.3 percent in the foreign trade bank, and 100 percent in the Post Bank. Besides, the BCC holds 90 percent in Mineralbank, 93.7 percent in Sirbank, 63.5 percent in the Economic Bank and various other holdings in other banks around which future mergers are centred.

The BCC executives suggest that the government decide to transform the shares of the state-owned enterprises which are its shareholders into government bonds. If the idea is implemented, the enterprises are to receive bonds worth a total of over 3,000 million leva bearing an interest which is one third larger than the National Bank's central interest rate. For the time being, however, there are still enterprises which refuse to exchange their shares in banks for BCC shares, at the end of April, the amount of these unexchanged shares was 190 million leva.

Press reports say 50 percent of the shares in the commercial banks are held by the National Bank and the Foreign Trade Bank, 34 percent by state-owned companies and organizations, and 16.1 percent by private companies, natural persons and public organizations. At the meeting, it was decided to increase the BCC capital from 2,353 million to 3,200 million leva.

Minister Dyba on Problems of Economy

AU2207092793 Prague CESKY DENIK in Czech 16 Jul 93 p 12

[Interview with Minister of Economy Karel Dyba by Jan Kreuzer and Pavel Prochazka; place and date not given: "Low Unemployment Stimulates an Excessive Growth of Wages"]

[Text] [CESKY DENIK] Sir, the results of the state's economy in the first six months have been published recently. These results principally confirm the trends that have become obvious since the beginning of April, that is, in some branches the economic revival has already taken place. Nevertheless, the influence of large enterprises on the overall economic results prevails. What is the real state of our economy, then? Have we reached the theoretical bottom in the process of economic transformation?

[Dyba] Unfortunately, we do not have all the statistical results available as yet. For the time being, we only know final results for the month of May. Nevertheless, we can evaluate some of the trends even now.

The extraneous economic indicators are developing favorably. The balance of payments in the first six months ended in a surplus, and the unemployment rate will not be too bad. The reverse is true, it is still relatively low, even if we take into account statistical errors that exist in that sphere, of course. Anyway, the situation on the market could be described as demand for labor force prevailing over supply. This is one of the reasons why there is an unsound situation in labor discipline and potential for excessive growth of wages.

The problem is to correctly evaluate the real aspect of the economy—economic output. For example, in construction, there has been faster growth since April, and construction output was higher in May compared with the same period last year. I believe this trend will persist in June, too. As regards the overall industrial output, we can still observe declining trends, as compared to what we could see in the same period last year. The second half of last year indicated an increase in industrial output, recent data of this year are indicating, however, that industry remains on a lower level, at the bottom, so to speak. Statistical imprecision is such that it would be premature to say whether this declining trend is sufficiently clear. There are a number of enterprises with dynamic development. This we could see last year, and it is also true this year. In the case of services, objective statistical evaluation is very problematic. According to the number of people employed, there is an increase in activity in services this year. In general, I still believe that the development is as expected—provided that we take into account extraneous impacts at the beginning of the year.

[CESKY DENIK] The recent report by the Organization for Economic Cooperation and Development states that if growth prevails over the recession, Poland, Hungary, and our republic should, by the end of the year, show economic growth of between 2 and 3 percent. In a report by the Czech National bank, however, it is being stated that this reversal will take place the next year. What is your opinion on that?

[Dyba] In their prognosis, the government speaks about 1 to 3 percent growth under certain circumstances. However, the circumstances are now worse than we expected. The division of the common currency with Slovakia took place sooner than we expected, and this had an impact on mutual trade. There were also more obstacles to trade at the beginning of the year, more than we wanted. Then, the problem with the excessive growth of wages emerged. We spoke about 15 percent growth since the beginning of the year, but we all know that the results indicate a definitely faster growth.

Of course, 1 or 3 percent of the growth of gross domestic product would be realistic. If the second, and particularly the third and fourth quarters are better than last year, it would still be possible for this year's growth to better that of last year.

[CESKY DENIK] The development of inflation could be a proof of positive development....

[Dyba] Inflation has been under control for a longer period of time, and I see no big problem in its figures. However, there are dissimilar developments in inflation, paid out wages, and labor productivity. For this reason, the government introduced the wage regulation, which seems controversial to some people. Regulation is really problematic, as is anything else in the economy, and here, too, we must weigh what good and what bad things this step will bring.

I believe that the government has decided to introduce wage regulation because it felt that enterprises' loss of ability to compete and the restart of inflation through the excessive wage growth is a greater danger than the political damage that it could incur as a consequence of having taken this step.

[CESKY DENIK] But, just because there are a certain number of dynamically developing firms, it is realistic to assume that new company owners who are taking over their rights just now, will behave in a "standard" manner according to market rules. Was it really necessary, then, to adopt a grossly non-systemic step, such as wage regulation, and apply it to the private companies, too?

[Dyba] I have said something on this subject. First, I repeat, we must understand that we are still in the middle of the transformation period, and private companies have not fully adopted normal behavior as yet. The ownership structure of some enterprises has not been completed yet. I repeat, once again, we have taken a certain step that can be justified by the state of the transformation process in our country, second, regulation that was introduced in our country will have effect only on those firms that are paying excessive wages while low labor productivity persists in the company.

[CESKY DENIK] The principle is selective. We would like to know, however, why the regulatory measures can also be applied to private enterprises.

[Dyba] The part of [national] property that has been transferred through coupon privatization, the ownership organs are only being created....

[CESKY DENIK] Does that mean that privatization was carried out de jure, but not de facto. Can we put it like that?

[Dyba] It will simply take some time. I believe that privatization was carried out de facto. But it will take some time before they take over ownership functions and push for the owners' interests. I believe that the regulatory measure that has been introduced is, and can be, justified by the state of transformation in the ownership sphere, and, second, it should, and must, penalize only those who really are doing something wrong. This measure should have more impact on the state and semi-state enterprises that are included in the second wave of privatization, or are intended for that wave, and it will have a smaller impact on private enterprises. By definition, the ownership goals should be pushed for more vehemently, and a flagrant violation of relationship between the output of the enterprise and the amount of paid-out wages should not be allowed. The jurisdiction of the management should also be very carefully defined. One of these powers should include fixing the wages of the employees of the enterprise, including managers. Do all those new companies have news statuses? I am not so sure about it.

[CESKY DENIK] Statuses are adopted at general meetings of shareholders, which are taking place just now....

[Dyba] At general meetings, supervisory boards should be appointed to control the enterprise in the period between two meetings. So, we are exactly in that period, and we have results for the first six months—or five months, to be precise. The development in that period clearly indicated the dangerous problem linked to the problem of—and I would say excessive—growth of wages with regard to labor productivity. The excessive growth of wages would translate itself into pressure on prices under unchanged conditions, and on inflation, and it would also affect the balance of payments.

[CESKY DENIK] We heard from several places, from government officials or bank representatives, that excessive growth of wages is, in fact, the only potential source of inflation at present. Despite all this, the transformation is under way, there is no serious threat, and wage development is the only serious problem....

[Dyba] Yes, this has been a subject of a debate in the government and among applicable ministers several times, this problem of wages, productivity, and inflation.

[CESKY DENIK] ...We rather wanted to ask you whether you have not overestimated this factor just because of the fact that the excessive wage growth was the only important factor that could cause inflation, and whether this could be the reason why regulatory measures are so tough. It is possible that within a month or perhaps three, normal market principles would begin to function in enterprises as a consequence of the bankruptcy law and the fact that new owners have taken over their rights. The wage development could come in line with labor productivity without having adopted regulatory measures.

[Dyba] This is a good question. We weighed all that, of course. We have reached the conclusion that for the moment it would be better to introduce the said type of regulation than not to introduce it at all. Now, it has been implemented. We decided this matter while being aware of the problems that this could cause, but we were also aware of the fact that, at this very moment, positive aspects would prevail.

[CESKY DENIK] Let us return to the problem you have mentioned. The low unemployment rate. It can be said that such a low unemployment rate could become a negative factor. In Prague, the unemployment rate is 0.3 percent. As far as we know, there is a certain social group of people, some 3 percent of the population, who will never work, various social cases, etc. The overall unemployment rate is also close to that limit. Does that mean that we have artificial overemployment?

[Dyba] It is clear that the average unemployment rate—2.7 percent—means that this rate is higher here, and lower there. There are a number of places where the unemployment rate reaches zero. Prague is one of them, and I believe that this is not good. This is linked to excessive pressure on wages. I have the feeling that, for instance in construction, where there is a high demand for certain types of qualified workers who are not available, then this situation leads to higher wages, despite lower output. This certainly does not make entrepreneurs happy. This cannot make anyone happy. This is linked to the situation on the labor market. That is, such a level of unemployment rate is not sound for the economy. This does not mean that I am advocating a high unemployment rate, no way. On the contrary, an economist must always strive for a normal and natural unemployment rate, which also includes types of people about which you spoke, and also people who are currently changing employment or being retrained. They are a certain stand-by reserve for the economy for potential use. A normal level of unemployment is only being created now. In America, this figure was 4 percent, later 5 percent, and it might be even more now. Changes in the unemployment rate will depend on when owners assume their roles, on wages, etc.

[CESKY DENIK] The fact that the bankruptcy law is not functioning as anticipated may be linked to this situation. Can the banks' behavior be influenced somehow? In fact, banks are delaying and putting off the process of bankruptcies.

[Dyba] We cannot think of the banks' behavior like that. It is a bad thing to hasten something unnaturally. In the economy, dramatic reversals are over. They took place in 1991—the liberalization of prices, etc. Now, we are in a situation in which this process will bring no principal and profound changes. Privatization, its implementation, is something quite different. That is, the problem of bankruptcies is a question of a gradual implementation of privatization. Even the banks must be convinced that the time has come to let one enterprise go bankrupt, and to help another, since it could become a very good enterprise in the future. This is a process of difficult decisions. The latest information on the number of bankruptcies does not testify to a large number of companies undergoing bankruptcy proceedings. All this may change, however, and larger enterprises may go bankrupt, and the mechanism will be thus activated.

[CESKY DENIK] It is quite clear to us that banks are building on the actual situation on the market, and they do not like large changes. On the other hand, they have a certain amount of money that they can use for providing credits. The question is, what is better for our society. As long as funds are used to provide credits to enterprises on the verge of bankruptcy, then there is nothing left for the small and dynamic companies.

[Dyba] This decision is up to the banks. It is a business of those enterprises who are incurring losses in general. Bankruptcy usually means the loss of a claim of a certain amount. We cannot push banks to unleash artificial bankruptcies. If the shareholders are not satisfied, they will "settle accounts" with them. The state, too, is a shareholder, and is represented in a number of banks. I hope that the state will perform its ownership role.

[CESKY DENIK] What is the state's concept for supervision in banks?

[Dyba] There are certain rules. The Czech National Bank regulates, for instance, conditions for entering the banking sector. On the other hand, there is monetary policy, that is, the central bank fixes a certain amount of obligatory reserves for commercial banks. By changing these reserves, it forces a certain behavior on commercial banks, releases money for credits, or takes them out of circulation. Also the discount rate plays its own role, as do rules applicable to foreign currencies and their utilization, the foreign currency market, etc.

The state, which has its share in the banks through the National Property Fund, monitors, as one of the shareholders, the supervisory boards. As long as the state does not have a majority, it must respect what the general meeting of shareholders, or the board of directors, decide. The state can execute its influence through ownership links and relations only with the approval of all other shareholders who own shares of the bank. Those are the mechanisms that exist now for the state to influence the activity of the commercial banks. The Czech National Bank has other mechanisms, and, according to the law, is very independent of the state. The important thing is that the state can make the situation easy, or difficult, for the bank. If the state is implementing responsible budgetary policy—which is what we are doing—and is always aiming at a balanced budget, then the state is making the bank's role easier by keeping inflation under control, which is one of its main goals, according to the law. Not only the bank should be given the credit for the stability of prices.

[CESKY DENIK] The Czech National Bank used a standard tool to influence commercial banks by lowering obligatory reserves. Not all the banks reacted in the same way, however. Many of them lowered the interest on credits, lowering their profit margin, too. Some banks, however, lowered interest charged on credits, but they also lowered interest on deposits, and kept the profit margin.

[Dyba] This is an issue that I have criticized and will criticize. The difference between interest on credits and interest on deposits is too high. The real interest on credits is high, particularly if we consider the situation over a year. If I had a credit for one year today, I would have to pay 15 percent for it. The expected inflation rate could reach between 7 and 8 percent within a year from today. This translates into 15 minus 7, that is, I am actually paying 8 percent to the bank. This is a great deal in view of the situation in our economy.

From time to time, we must help imperfect markets to improve, as we mentioned at the beginning of this interview. This forces us to speak with bank directors, participate in supervisory boards—we, or our people—and push for certain decisions which we, as the state and the owner, believe are in the interests of this state. I repeat, once more, that this is a process of searching for compromising solutions. We must try to make the competition on the financial markets more perfect, so that other banks could enter here.

[CESKY DENIK] The budgetary surplus is 10 billion korunas [Kc] for the first six months. Is it really reasonable to disperse all this money in immediate investment?

[Dyba] I believe that the Finance Ministry is conducting a reasonable policy in this case. If we had this development in the first six months, then it is reasonable to assume that this development would take place in the second half of the year, too. In our situation, it makes no sense to strive for a large surplus in the budget. On the contrary, we only want a balanced budget. If we really have sufficient resources, then, I believe, it is correct to use them as long as they are available and as long as there are proper and efficient projects. Those funds coming from the national economy will be used, for instance, in the education system or for the development of infrastructure. Moreover, this could have a return effect, if the money is used to complete existing projects under development. He, who gains the money will invest it, and whoever implements the project, will create more money, from which he will pay taxes to the state budget.

[CESKY DENIK] From the Kc10 billion, between Kc1-2 billion are designated for subsidizing heating. It that not a rather populist gesture?

[Dyba] This is a classical decisionmaking problem that the government must always decide. Prices can be deregulated, but it is necessary to consider whether this would not have too serious an impact on a number of households. Similar price changes are to be expected in transportation fares and telecommunication bills. Changes in prices for water and sewage are expected. It is a known fact that a certain increase in rents has been approved. We have simply reached the conclusion that heating should be partially subsidized from the state budget.

[CESKY DENIK] But, in this case, subsidies to heat-generating plants are involved, in fact.

[Dyba] Yes, this is the problem. Subsidies must be distributed in such a way as to exclude inefficient heat-generating companies. It is important that the Finance Ministry and the Ministry of Economy should realize that.

Coalition Parties Support Foreign Policy Talks

AU2007145893 Prague CTK in English 1820 GMT 16 Jul 93

[Text] Prague, July 16 (CTK)— Chairman of government coalition member Christian Democratic Party (KDS) Vaclav Benda told CTK today that if representatives of its coalition partner—the Civic Democratic Alliance (ODA)—wanted to hold coalition talks on foreign policy, the KDS would support their stand.

He said that foreign policy was not currently the focus of KDS interests and that it did not consider the issue a source of contention between the coalition partners.

Benda believes there are no serious disputes or problems concerning foreign policy within the coalition that would require urgent talks on the topic. However, different views do exist and every party has the right to at least convene discussions on important questions, he said.

Another coalition partner, the Christian and Democratic Union-Czechoslovak People's Party (KDU-CSL) also supports the ODA proposal for foreign policy talks, its spokesman Jaroslav Orel told CTK.

He said this was consistent with coalition regulations stating that each partner can demand discussion within the coalition on issues it considers important.

Reacting to the negative stand that the chairman of the ruling Civic Democratic Party (ODS), Premier Vaclav Klaus, adopted on the ODA proposal, ODA representatives reiterated today that they considered their proposal justified and insisted on the need for such talks.

HSDMS Calls For Agriculture Minister's Dismissal

AU2107114793 Prague CTK in English 1418 GMT 19 Jul 93

[Text] Brno, South Moravia July 19 (CTK)—The immediate dismissal of Czech Agriculture Minister Josef Lux in connection with the critical economic state of farming is urged by the Self-Governing Democracy Movement for Moravia and Silesia (HSDMS).

The HSDMS chairman, Jan Krycer, told journalists today that his party would submit the call to the government and Premier Vaclav Klaus.

The opposition HSDMS has 14 seats in the 200-seat parliament.

Lux is chairman of the government coalition Christian Democratic Union-Czechoslovak People's Party (KDU-CSL).

Krycer said that assuming the post of agriculture minister after the June 1992 elections, Lux had promised to introduce a new concept providing for profound structural changes.

One year is long enough for the Agriculture Ministry to demonstrate whether or not it has a concept and whether or not it is capable of asserting it, Krycer said.

He pointed out that cheap farming products from the European Community countries have been flowing without restrain to the Czech market while the sales prospects of home production were very uncertain.

A survey conducted by the HSDMS among Moravian agricultural cooperatives has shown that about 80 percent of berries will remain on shrubs or trees this year because it does not pay to pick them, Krycer said.

Instead, foreign extracts, which are highly subsidised by EC countries, are being bought, he said and added that the situation in pork meat was similar.

In the autumn, the HSDMS would propose methods of coping with the disastrous state of farming, Krycer stressed.

Jan Jegla, a HSDMS member of the parliamentary Agricultural Committee, told CTK that the alternative programme, which had not yet been completed, was based on various forms of land management. These include joint-stock companies, cooperatives and trading companies. All of them should receive equal support at their start.

Protocol for EC Trade Association Initialed

AU2107122593 Prague CTK in English 1743 GMT 19 Jul 93

[Text] Prague July 19 (CTK)—A protocol on the Czech Republic's succession to the trade section of the Association Agreement between the European Community

(EC) and the former Czechoslovakia was initialed over the weekend by Charge d'Affaires of the Permanent Mission to the EC Pavel Telicka, said Czech Foreign Ministry Spokeswoman Lucie Pilipova today.

The protocol on Slovakia's succession to the provisional agreement on trade and issues connected with trade, which was signed by the former Czechoslovakia, was also initialed this weekend by the Slovak representative.

The Czech representative also initialed a supplementary protocol—to be applied retroactive to July 1—which makes more specific the results of the June EC summit in Copenhagen, and allows the Czech Republic easier access to EC markets by shortening the deadline for the dismantling of trade barriers and quotas affecting Czech exports to EC markets, the ministry spokeswoman said.

Tariffs are to be phased out within 2-3 years on industrial goods—including sheet steel—and within 4 years on basic steel products, though specific measures may be applied to some items—hot-rolled steel, for example.

Tariffs on agricultural products—which Pilipova said would affect meat, and processed meat and dairy products—will be reduced by 60 percent, and quotas increased by 10 percent, within two and a half years.

Both protocols will be reviewed Monday [19 July] by an EC General Issues Council. The text will be signed by Czech representatives in late August or early September, said the Czech ministry spokeswoman.

Arms-Export Legislation To Be Tightened

AU2107152193 Prague RESPEKT in Czech No 29, 19-25 Jul 93 p 5

[Jaroslav Spurny article: "Dealing in Weapons Is Now Easy; New Law Regulating Military Technology Exports Is Being Drafted"]

[Text] Today, anyone in the Czech Republic possessing a trade license can deal in weapons. Trade in military equipment does not even belong among registered businesses, yet a single contract is enough to get a license. The license is awarded by the Ministry of Industry after the Ministry of Foreign Affairs gives its written consent; the issuance of the license is governed only by a decree issued by the former Federal Ministry of Foreign Trade. This situation is, however, at variance with the Charter of Basic Rights and Freedoms, which states that "economic activity" can be restricted only by law.

Order into the diverse legal norms ought to be introduced by the Law on Foreign Trade in Military Equipment. The drafting of its provisions has recently been completed by the Ministry of Industry. The officials in charge refuse to provide any specific information about the new law because, according to Stanislav Frycl, deputy director of the [Ministry of Industry and Trade's] "special materials" department, "arms trade is a delicate matter and all that exists for the time being are some theses on how it should be regulated." It is supposedly premature to talk about the bill as long as it has not been formulated article by article.

The Current Trade in Arms Cannot Be Completely Controlled

Present regulations governing trading in arms have several shortcomings. For example, the valid decree, apart from being inconsistent with the Constitution, makes it possible for Czech firms to trade in "special technology" even without having a license. They just have to purchase and sell it outside the territory of the republic (without so-called transit). If, for example, a Czech firm purchases 20 tanks in Uzbekistan, then ships them directly to Senegal and sells them there, it requires no permit from Czech authorities. According to Lucie Pilipova, press spokeswoman for the Ministry of Foreign Affairs, such deals apparently take place. She added, however, that all countries trading in "special technology" are grappling with the same kind of problems. This is probably one of the reasons that, the week before last, the parliament approved a law banning any business operations by Czech firms on the territory of former Yugoslavia.

Another shortcoming is that the current regulations do not determine any palpable sanctions. The only "punishment" for noncompliance with them is withdrawal of the license. Last year, for example, one Czech company illegally imported four military helicopters with the aim of selling them to Croatia. The two million koruna fine that it finally had to pay was levied for "breach of the customs law" and not for unauthorized dealing in arms. Stanislav Frycl says: "The punishment for those who violate the decree is always a secondary one. Charges are brought against the firm if it violates the Criminal Code, for example, or the customs law." Theoretically, it is possible for a businessman who does not violate any of the valid Czech laws to trade virtually freely in arms through other countries (with former Yugoslavia being now the sole exception).

The Ministry of Industry Will Have the Main Say in Trade

The law on weapons trade provides for financial sanctions. A fine amounting to 50 percent of the value of the merchandise should be paid by everyone who trades in special technology without a permit or a license. In the case of "important foreign political, commercial, or security interests of the state being jeopardized" by the sale of weapons, it will be possible to mete out a fine worth up to 10 times the total value of the merchandise. For the time being, the draft provisions do not look at the illegal arms trade as a criminal offense in itself.

According to the provisions, only a firm in which Czech capital holds a majority stake will be allowed to trade in military equipment. The firm's owner must be over 21 years old and must not have been convicted for a business-related offense. Majority stake by domestic capital is necessary, according to Stanislav Frycl, so that the state can avail itself of the possibility of "effective action" in case of need. Such action could not be applied against foreign capital. The proposed draft also more strictly defines the issuance of licenses: first it will be necessary to apply for a permit to trade in arms and only then for a license for a specific sale or purchase. Should a "large and important deal" be involved, however, the firm will additionally have to ask for an authorization to enter into negotiations with a foreign partner.

The authority to approve an arms deal and the subsequent issuance of a license is governed by law by the Ministry of Industry, which will require the written consent of the Ministry of Foreign Affairs for its final decision. The list of military equipment subject to law will be drawn up by the Ministries of Industry, Foreign Affairs, Defense, and Interior. According to the framers of the law's stipulations, the list will include "materials designated for the purposes of state defense and security" as well as products commonly used in the civilian sector that can be used in the armed forces. Curiously, pistols and sports weapons are not to be considered military equipment, the same as food and military communications installations.

Stricter Than EC Countries

Individual ministries are currently drawing up their comments on the law's stipulations. The final version of the bill should be approved by the government in September, and the parliament should pass it by the end of the year. It is assumed that the new law will come into effect as of 1 January next year. One can only hope, as one of the officials involved in the drafting of the law said, that no scandal involving illegal weapons sales surfaces before then.

According to Stanislav Frycl, the law will mark a "breakthrough" in that we will overtake most EC countries. "Perhaps only Germany has a similarly strict and effective law; I do not know of anyone else," he contends. Of greatest importance from the political viewpoint, however, will be the list of countries to which exports of arms will be banned completely. According to Lucie Pilipova, the list will include states subject to a UN Security Council embargo as well as countries that are potential aggressors, directly or indirectly. The government, which is to discuss this list in fall, will have the final word on this, however.

National Bank Publishes June Financial Statement

AU2107090493 Prague HOSPODARSKE NOVINY in Czech 16 Jul 93 p 9

[Text]

Czech National Bank Balance Statement

(in million korunas [Kc])

	20 Jun 1993	30 Jun 1993
ASSETS		
gold	3,961.2	3,961.2
deposits with foreign banks including securities	56,129.8	55,732.8
deposits with international institutions		
—convertible currency	5,647.6	5,810.8
—nonconvertible currency	58,097.0	58,097.0
accounts receivable abroad		
—convertible currency	9,651.0	9,808.4
—nonconvertible currency	24,572.4	24,572.4
accounts receivable from domestic banks		
—foreign currency	9.0	8.8
—Kc	80,820.5	80,836.1
customer loans	3,789.2	3,849.4
state budget receivables		
—current accounts	—	—
—past years	51,219.4	51,219.4
—treasury notes, state debentures, and other government bonds	1,199.0	1,821.8
securities and stock certificates in Kc	7,069.4	10,639.4
cash	30.8	46.5
other assets	8,107.1	6,192.3
total	310,303.4	312,596.3
LIABILITIES		
currency issue	57,390.7	54,897.4
accounts payable to foreign banks including securities in foreign currency		
—convertible currency	22,044.8	19,834.7
—nonconvertible currency	—	—
accounts payable to international institutions		
—convertible currency	39,953.3	41,409.7
—nonconvertible currency	58,681.4	58,681.4
accounts payable to domestic banks		
—foreign currency	892.2	877.0
—Kc	49,556.6	56,923.7
customer deposits	4,309.5	3,362.1
state budget payables		
—current accounts	10,481.6	10,729.3
—past years and state funds	33,655.4	34,135.9
securities issued in Kc	15,000.0	15,000.0
equity capital of the Czech National Bank	4,434.0	4,434.1
other Czech National Bank equity assets	4,331.0	4,624.1
other liabilities issued in Kc	9,572.9	7,686.9
total	310,303.4	312,596.3

Note: Czech National Bank Governor, Engineer Josef Tosovsky Information System Director General, Engineer Jan Hampl

German Border Frequented by Illegal Immigrants

AU2007070993 Prague MLADA FRONTA DNES in Czech 17 Jul 93 p 1

[CTK report: "People Are Most Often Migrating to Germany Through the Czech Borders"]

[Text] Bonn—The Czech-German border has become the most frequent route for illegal migrants to Germany. Of the total number of 42,600 foreigners held up by German authorities, 18,912 crossed the borders illegally from the Czech Republic, and 14,000 from Poland.

According to yesterday's information from the Federal Border Guards Central in Koblenz, on the Czech-German borders, the largest number of people traffickers have been apprehended. Germans apprehended a total of 1,227 of them in the first six months this year, while the majority of them came from the Czech Republic. A total of 239 were Czechs and 359 were from former Yugoslavia.

The largest number of foreigners who wanted to enter Germany through border crossings—without necessary documents, however—were rejected on the German borders with Austria. More than 16,500 people were returned here. From the borders with Poland, over 11,300 people were returned, and 9,500 from the borders with the Czech Republic.

According to an estimate, the overall number of refugees that make it to Germany is four or five times larger than those who are stopped. Since June 1993, more than 224,000 foreigners have demanded asylum in Germany.

State To Pay 'Millions' for Compensation

AU2007154793 Prague MLADA FRONTA DNES in Czech 16 Jul 93 p 1

["(ina)"-signed report: "Screening: Millions Are Involved for the State"]

[Text] Prague—The Interior Ministry, or rather, the state, will evidently have to pay tens of millions of korunas to the people described in previous years as StB [State Security] collaborators, but who never actually—according to a court decision, of course—collaborated with the StB.

Some of the accused who have won their court cases are demanding hundreds of thousands or millions of korunas in compensation. This information was given to us by Jaroslav Basta, who was the chairman of the independent commission in the Interior Ministry responsible for verifying the screening certificates.

By the end of April, some 250 people had submitted a complaint to the Interior Ministry, in which they sued for defamation of the individual's character following claims that they had been secret StB collaborators. Of the 35 cases concluded to date, the courts have not decided even once in favor of the Interior Ministry, stated Basta.

According to a court decision, for example, former Deputies Petr Burian, Lubomir Ledl, and—following a verdict three days ago—Vladimir Mikule were not secret StB collaborators. They are deputies whom the so-called parliamentary screening commission described as registered StB collaborators.

The appeal courts have now started to confirm the verdicts issued by the courts of first instance. According to Basta, it is highly unlikely that the Interior Ministry would emerge victorious from such cases. "The courts proceed differently from the commissions and the legislators; the documents that the commissions had at their disposal do not suffice for them," said Jaroslav Basta.

HZDS Willing To Resume Talks With SNS

LD2107220993 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 21 Jul 93

[Text] Premier Vladimir Meciar told Slovak Television and TASR news agency before Slovak National Party [SNS] Chairman Ludovit Cernak gave his official statement, that the Movement for Democratic Slovakia [HZDS] considers the talks with the SNS as merely adjourned, and is willing to resume them.

Meciar responded to Cernak's statement by saying that the issues and relations which have to be resolved were very complex indeed. In any case, Meciar said, certain facts must be taken into account.

SNS Deems Talks 'Failure'

LD2107220293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 21 Jul 93

[Text] The Slovak National Party [SNS] considers the talks on the possibility of entering into a coalition with the Movement for Democratic Slovakia [HZDS] a failure. SNS Chairman Ludovit Cernak commented to the TASR news agency that the main reason for his saying so is the failure of some HZDS representatives to give in on the draft law adjusting the status of deputies in the parliament. SNS maintains that the law would breach the Constitution.

Kovac on Problems in Ties With Hungary

LD2107214293 Budapest Kossuth Radio Network in Hungarian 2000 GMT 21 Jul 93

[Excerpts] We should not lecture each other on democracy and minority rights, Michal Kovac said during his tour of the Felsoe-Csallokoez [Calovo] area. Ildiko Nagy reports from Bratislava:

[Nagy] [passage omitted] President Kovac expounded the reasons why the process in the course of which all European countries want to join the European structures is important, because in this way they subject themselves to international supervision in, for example, the nationality issue, and are also obliged to fulfill the recommendations of the European bodies.

It is not a good thing if the Hungarian government wants to exert pressure on Slovakia, Michal Kovac stressed, because nothing entitles it to do so. There are certain issues whose solution is the internal affair of the country which the government and parliament must sort out with international supervision. In other words, there is no need to lecture each other on democracy or minority rights. [passage omitted]

Regarding his cancelled visit to Hungary, President Kovac he said that he is not blaming the Hungarian side for this, but he received information that the Hungarian government had made his invitation to Hungary dependent on the favorable outcome of the [Danube] water sharing negotiations. Well, those negotiations have begun and Michal Kovac is waiting to see when he can visit Hungary.

Kovac: Advice From Hungarian Politicians Unnecessary

LD2107161493 Prague CTK in English 1514 GMT 21 Jul 93

[Text] Lehnice, west Slovakia, July 21 (CTK)—Slovak representatives need no advice from Hungarian politicians and see no reasons for the Hungarian Government prescribing Slovakia how to solve the ethnic minority problem, Slovak President Michal Kovac said today.

He was speaking at a meeting with state administration employees from the Dunajska Streda District.

Asked why he has not yet visited Hungary, Kovac repeated his recent statement: I am always ready to pay an official visit to Hungary, but the Hungarian Government links my trip to success of the talks on a temporary water regime on the Danube.

There has been a protracted Slovak-Hungarian dispute over the Gabcikovo-Nagymaros hydroelectric waterworks on the Danube. Hungarians protest against the water regime introduced by Slovakia after the Slovak part of the project, in Gabcikovo, west Slovakia, was put into operation in October 1992.

Kovac said that he had returned to the parliament a law on names and surnames, which was passed in early July. He will not ask the parliament to reconsider the law's principles and basic philosophy, but only to specify technical nuances and shortcomings. The law is more liberal on the use of foreign language names by ethnic minorities. On July 13, the government, inspired by an analysis of experts, recommended that the law be returned.

Kovac said he considered filling of the state administration top posts with representatives from the ruling Movement for a Democratic Slovakia (HZDS) democratic, as it had been approved by the parliamentary majority.

Reacting to the recent election of HZDS candidates as Supreme Inspection Office chairman and Slovak National Bank governor, the opposition Christian Democratic Movement (KDH) criticised on July 20 the fact that the HZDS, which obtained less than two thirds of the votes in the June 1992 elections, had gradually filled all the top constitutional positions in Slovakia.

The government HZDS needs not gain the citizens' sympathies in the next elections (to be held in 1996), if it does not pursue a correct policy, Kovac stressed.

Nation To Adhere to Arms Treaties

AU2107144693 Bratislava HOSPODARSKE NOVINY in Slovak 20 Jul 93 p 3

[TA SR report: "Weapons Only According to the Agreements"]

[Text] Bratislava—The Slovak Republic will adhere strictly to all the conclusions of the Vienna agreements and the Treaty on Conventional Forces in Europe, which set ceilings on the numbers of individual types of weapons. These are: 478 tanks, 683 armored combat vehicles, 383 artillery systems, 115 combat aircraft, and 25 combat helicopters. This statement was made by the Slovak Defense Ministry in connection with certain reports carried by the press about the alleged purchase of weapons from Russia worth $180 million as a reciprocal measure respecting Hungary, which wants to purchase weapons and spare parts worth $300 million from this country.

According to the statement, following the breakup of the CSFR and the division of the Federal Army's property, we have more military hardware than stipulated by the treaties and we have to reduce it gradually before 1995. The treaties do not prevent any country from replacing older weapons with newer and more modern ones. However, the Slovak Republic still has outstanding claims from the past against the Russian Federation, which is willing to pay back this debt in the form of military goods. We have an advance promise of five MiG-29 fighter aircraft along with the necessary spare parts.

Meciar Specifies Objections to Law on Names

AU2107113993 Bratislava REPUBLIKA in Slovak 17 Jul 93 p 2

[TA SR report: "Law on First Names and Surnames Back to Parliament"]

[Text] Bratislava— Slovak Prime Minister Vladimir Meciar yesterday sent a letter to Slovak President Michal Kovac, the text of which he also made available to the TA SR. The letter reads:

Esteemed Mr. President,

In accordance with Article 87, Section 4 of the Constitution of the Slovak Republic, the Government of the Slovak Republic asks you, on the basis of its Resolution No. 507 of 13 July 1993, to return [to parliament] the National Council of the Slovak Republic [NRSR] Law on First Names and Surnames, in view of the following objections:

— Article 1 of the aforementioned law does not address the issue of determining the first name of a child if neither of the parents is known; Article 4, Section 3, on the other hand, addresses the issue of determining the surname of such a child. This is apparently an instance of omission.

—Article 4, Section 4 lays down that a foreign-language female surname can be determined and used in the foreign language. However, it does not specify whether this is the subjective right of the citizen or the right of state administration that could decide otherwise. We recommend that the legislators express their intention explicitly.

— Article 14, Section 2 states that it is the right of a person belonging to an ethnic minority or ethnic group living on the territory of the Slovak Republic, in conformity with the provisions of this law, to request a change of the first name and surname entered in the birth register and render it in the language of the relevant ethnic minority or ethnic group. The district office is obliged to comply with such a request.

The law is to come into force as of 1 October 1993. In the atmosphere in which the law was passed, the legislators' intentions apparently were not expressed in a legislatively precise manner. The problem is that every language has its grammatical structure and the language of the Romany ethnic group is not codified at all. The law does not address this specific situation, nor does it express the obligation of the authorities to master also the grammar of these languages, if the legislator wants to lay this down [sentence as published]. Moreover, certain signs and letters that are present in the Cyrillic script or in the Hungarian language, for example, are absent in Slovak. Every language also has its corresponding form. If the provisions of the law are interpreted broadly, it cannot be ruled out that the Vietnamese ethnic group, for example, will demand that names be entered in its own script. Similar demands could be raised by the Russian, Ukrainian, and Ruthenian ethnic groups.

The Government of the Slovak Republic deems it appropriate that the legislators should precisely specify their intentions in the law, in order to preclude possible future misunderstandings after 1 October 1993, be it in dealings with the authorities or in the use of first names and surnames in the public at large.

The Government of the Slovak Republic initiated the adoption of this law with the intention of expanding the rights of minorities. It fears, however, lest new misunderstandings arise owing to the legislatively unclarified situation.

Allow me to draw your attention to the fact that the law in question was passed on 7 July 1993. Respectfully, Vladimir Meciar. [handwritten signature follows]

Parliament Elects Inspection Office Head

AU2107115193 Prague CTK in English 1535 GMT 19 Jul 93

[Text] Bratislava July 19 (CTK)—Marian Vanko, a candidate for the Movement For a Democratic Slovakia (HZDS), was elected by the Slovak parliament to be chairman of the Supreme Inspection Office (NKU) in the second round of voting for the position today.

He received 79 out of 139 votes, while a simple majority was sufficient. The Slovak parliament has 150 deputies.

Peter Sokol and Marian Vrabec, both from the Slovak National Party (SNS), were elected NKU deputy chairmen.

The candidate for the ruling HZDS was elected in spite of protests from the opposition which had wanted its man to hold the post.

Vanko is a deputy to the Slovak parliament and a member of its Committee for State Administration, Territorial Self-Government and Nationalities.

Vanko was born on May 25, 1941. He is a psychologist by profession. He has been working for the local government office in Puchov, West Slovakia. He has been a HZDS member since October 1991. He has held no post within the movement.

The candidacy of Igor Urban (HZDS as well) was withdrawn before voting today. Candidate for the opposition Democratic Left Party (SDL) Jozef Zselenak gave up his candidacy. Vanko's only rival was Pavol Bielik from the opposition Christian Democratic Movement (KDH).

The parliament failed to elect either of the two candidates running for the post of NKU chairman in the first and second rounds of balloting on June 25.

The HZDS then ran Arpad Matejka, the opposition parties nominated Josef Stank (SDL).

Vladimir Masar Appointed National Bank Governor

AU2107123093 Prague CTK in English 1914 GMT 19 Jul 93

[Text] Bratislava July 19 (CTK)—Slovak parliament today approved the government candidate Vladimir Masar as governor of the Slovak National Bank (NBS) and elected Marian Tkac as NBS vice-governor.

Graduate of the Bratislava-based School of Economics, Masar, 35, worked at the former Czechoslovak State Bank (SBCS) and as a vice president of the General Credit Bank. In September 1992 he became the Slovak finance deputy minister and later the ministry's state secretary. He is not a member of any political party.

In the debate, deputies from the opposition Christian Democratic Movement (KDH) voiced their disapproval of Tkac's being appointed NBS vice-governor, citing many Tkac's political mistakes and non-professional stands.

The 20th session of the Slovak parliament ended today. Opened on June 23, it passed more than 20 laws, including a package of laws on agriculture, amendments to the penal code and penal order. The session also adopted a resolution on Slovakia's admission to the Council of Europe on June 30.

The extraordinary 21st session, which ran parallely with the 20th one, elected the chairman of the Slovak Supreme Inspection Office, and discussed five bills.

The 22nd session will be held in September, after a several-week parliamentary summer recess.

World Bank Approves Telecommunications Loan

AU2107123293 Prague CTK in English 1854 GMT 19 Jul 93

[Text] Washington July 19 (CTK correspondent)—The World Bank has approved a 55 million USD loan for the development of the Slovak telecommunications network, the World Bank announced in a statement today.

The development project, which should be completed in 1997, is worth a total of 462.3 million USD. The crux of the project is the digitalisation and expansion of the telephone network in Slovakia.

Investments into telecommunications will be used more efficiently, provided services will improve and telecommunications will function on a commercial basis.

Slovak telecommunications will contribute 230.8 USD to the financing of the project, the European Investment Bank will provide 55.3 million and the European Bank for Reconstruction and Development 55 million. A total of 66.2 million USD will correspond to export credits.

The World Bank loan is repayable in 17 years including a five-year postponement term for installments. The interests will vary according to the World Bank interest rate which is currently at 7.43 percent.

Antall Sends Letter to Ambassadors' Meeting

AU2107182393 Budapest UJ MAGYARORSZAG in Hungarian 21 Jul 93 p 6

["Text" of speech sent by Prime Minister Jozsef Antall in a letter to the conference of Hungarian ambassadors: "The Message of Jozsef Antall to the Participants of the Hungarian Ambassadors' Conference in Budapest—We Want a Foreign Policy Based on Six-Party Agreement"]

[Excerpt] I sincerely apologize that I cannot fulfill the honorable request this year and be present to give information to Hungarian diplomatic leaders on Hungary's foreign and domestic political goals and cannot share my thoughts with you. However, the permanent deputies of the prime minister, namely Interior Minister Peter Boross and Foreign Minister Geza Jeszenszky, will do all this instead of me. (As a reminder I might note that, under the current Hungarian constitutional system, there is no separate position of deputy prime minister and a state minister. At the moment, Interior Minister Peter Boross, Defense Minister Lajos Fur, Foreign Minister Geza Jeszenszky, and Finance Minister Ivan Szabo are the prime minister's permanent deputies.)

I. The Main Direction and Major Priorities of Hungarian Foreign Policy

1. The consistent assertion of Euro-Atlantic politics in the areas of politics, economic policy, security policy, and nation policy.

The need to gain membership in the EC and NATO within this decade is a major goal for us. While leaving the general security role of the United Nations intact, NATO, with its internal reforms adjusting it to the new circumstances, is the main guarantor of international and European peace, including the international commitments of the United States and the U.S. military, political, and economic presence in Europe. The Western European Union [WEU] is added to this if new life indeed can be breathed into it. By being made into the military organization of the EC, it can also serve as NATO's solid European pillar. The Hungarian Government's policy expressed this view as early as the summer of 1990 when this did not meet with favorable response. Already at that time we believed that, for the Warsaw Pact countries who then held only ceremonial membership, this would provide a chance for full membership.

a. Making full use of our current association agreement, the EC and the member countries of the European Free Trade Association [EFTA] which conform to EC mores can well serve the preparations for full membership in Brussels and with the various governments if we do serious diplomatic work toward this goal and arrange for the domestic legal and institutional preparatory work. The acceptance of Maastricht is an issue, and it will doubtless raise problems even with respect to the current member states (common currency, parliamentary control, and other minor issues). For Hungary, there is no other way and any consequence of EC membership is negligible compared to the losses we would suffer by not achieving full membership.

b. With NATO, all possible means must be used to reinforce relations, whether through establishing bilateral agreements, new organizational entities, or direct military links (allowing flights over Hungary, permitting the flight of AWACS planes in accordance with adequate legal conditions, ensuring parliamentary cooperation). We must be able to convince NATO countries that our effort does not endanger their relations with Russia, and we must also be able to convince Russia and our other neighbors that this is not directed against them but that it merely serves regional peace and its reform forces.

2. Maintenance of good relations with immediate neighbors and countries adjacent to them which belong to the second region [as published], namely Russia, Poland, the Czech Republic, Bulgaria, and others. The priority of our constitutional commitment towards Hungarian minorities is an essential element in our relations with our neighbors, but this does not mean that this is the only issue in our relations.

a. It is obvious that our relations with Ukraine among the immediate neighbors has special significance. It is in our fundamental interest to help accept and support Ukraine as a major power in Europe, not only as a buffer state but also as a counter-balancing force. We must strive to progress in a positive direction in our political and economic relations with Slovakia, Romania, and Serbia, too. To that end, we will do everything we can, just as we have done in the past. In our view, we already have rather good relations with Austria, Slovenia, and Croatia. It is also our duty to try to share our views and information on our region with the politicians of the neighboring countries, and with the leaders of major powers who express their views on this region, as we have done in the past. We must do this in every case, whether they accept it then or recognize it only later. (The south Slav crisis is a good example of this).

b. We have a special relationship with Russia. We can maintain friendly, and, in a certain sense, potentially allied relations with the forces that conduct reform politics. We mainly support the politics of President Boris Yeltsin. This is our goal both in the diplomatic and the economic area, much appreciating his—also long-term—equalizing role in the Eurasian region, his positive influence in the Balkans mainly in the region of the Eastern Church and the orthodox culture. However, we cannot forget that the political forces of restoration, armies outside government control in the countries of the Commonwealth of Independent States [CIS], certain phenomena of demoralization and corruption, and explicit political and military reflexes and traditional endeavors in Central Europe and the Balkans present a serious danger not only to our region but also to the whole of Europe.

c. Close contacts are needed between the members states of the Visegrad Group [Czech Republic, Slovakia,

Hungary, Poland]—countries with an association agreement with the EC. (Possibly Slovenia, and after peace is made, Croatia may also become members of this group.) Hungary is fundamentally interested in ensuring Poland's unequivocal and close political partnership. In addition to fostering our well-intentioned relations with the Czech Republic, we will also have to take into consideration the heritage of seven decades of Czech and Slovak coexistence, its common advantages, and common political and philosophical traits (the political concept of Benes). For this very reason, we must always maintaing a clear and definite position, without illusions, and we must not overestimate any differences.

d. In our multipolar world, Japan, China, India, and the newly developed Asian countries can mainly be assessed from a world economic point of view, within the framework of economic policy, strategy, and diplomacy. We must not underestimate their role in world politics even if we meet with indifference and lack of understanding concerning the concrete political goals of our region.

e. The political issues of the Middle East affect us directly. The symbiosis of politics, strategy, and energy, as well as thousands of years of Mediterranean interdependence make this clear. Nor can we disregard the fact that this region is one of the most dangerous crisis zones of political fundamentalism, exceeding religious interests. This plays a special role in the conflict between North and South and in its social and demographic aspects. The collapse of the Iron Curtain is not only a political, human, and military achievement, but also the source of new concern deriving from the world's penetrability—the new, social iron curtain involves new dangers. Migration based on demographic factors presents the danger of a repeated historical migration, and Bertrand Russell clearly described the causes of that migration. It is expedient to be attentive to this new danger, political fundamentalism, because we are talking here about nothing less than potential 21st century neo-bolshevism or even neo-fascism. At the same time, one should mention here that special attention should be paid to Turkey's role, along with the Arab world. With its European structure and institutions, Turkey has a special effect not only on the Islamic world but also on the Turkish-language states separating from the former Soviet Union. I must also mention here that the time has come to treat Israel not only as a reborn Zionist state but also as a Western Asian and Middle East country. Its geographical position cannot be disregarded, despite its special relations with the Jews of the world. (It is mistaken to identify Israel with the Jewish World Federation)

f. Black Africa and the Republic of South Africa should also be regarded as important areas in Hungarian diplomacy. We can hardly regard the few diplomatic posts that we still maintain in Africa for financial reasons as "calm" areas or islands of political peace, where our diplomats are waiting for "better times" during their comfortable missions. We expect them to act in accordance with Africa's potential economic, raw material, and ecologic importance, by taking part in the broad circle of international diplomacy. The political role ascribed to this region by former Soviet diplomacy and even somewhat by Chinese diplomacy in spreading communist political regimes is no longer valid. Although the social and demographic basis for it have not ceased to exist, its decline among left wing groups has become apparent.

g. I will not discuss the task of our diplomats in Latin America in detail. Obviously, without schematically regarding this region as a uniform area, we must find the possibilities of economic policy and economic diplomacy cooperation with this region. However, by not denying the need of a balancing role in world politics, North America is the real priority for Hungary, both in the political and military sense. It is an important task of our diplomatic missions to foster contacts with Hungarians living in Latin America, along with pursuing economic policy goals.

h. Similarly, I will not detail now the international organizations and their tasks, the aforementioned NATO, EC, EFTA, and the regional foreign policy organizations. We have dealt with these organizations on many occasions and analyzed them. On the issue of the UN Security Council, Hungary has already signaled that in an adequate manner and at an adequate time Hungary believes that is justified to include Germany and Japan as permanent members to the Security Council, something that is in harmony with new world developments and with the need to modify the structure that emerged almost half a century ago. Regional organizations such as the Central European Initiative and the Visegrad Group, can never provide a lasting opening to NATO or a "dental waiting room" to the EC, or their alternative. We must reject this not only in opposition to the Western diplomats who oppose our acceptance, but also in opposition to domestic politicians who think provincially, our critics and their organizations, and the skeptic declarations of some leaders of the member countries in question. [passage omitted]

Indian President Meets With Minister Kadar

LD2107170993 Budapest MTI in English 1645 GMT 21 Jul 93

[Text] Budapest, July 21 (MTI)—Indian President Shanker Dayal Sharma held talks with Hungary's Minister of International Economic Relations Bela Kadar on Wednesday at Budapest's residence for visiting dignitaries where the president is staying.

They agreed there were good opportunities for cooperation in third markets in east-central Europe and the Far East.

The Indian president said his country was preparing to significantly cut duties, which could help Hungarian exports to India, which attract an average 65 per cent duty.

Both parties agreed they should help stop the decline in trade and defined areas where Hungarian companies could participate in the development of the Indian economy.

Cooperation could be expanded in engineering, pharmaceuticals, electronics, energy, vehicle production and various service areas.

Meets With Budapest Mayor

LD2107182493 Budapest MTI in English 1804 GMT 21 Jul 93

[Text] Budapest, July 21 (MTI)—Indian President Shanker Dayal Sharma and his wife were received in City Hall, Wednesday afternoon, by the mayor of Budapest, Gabor Demszky, who presented Sharma with honorary keys to the city of Budapest.

Present were members of the Indian delegation and prominent figures from Budapest's political and cultural circles.

Demszky spoke appreciatively of the values of India's pluralist democracy and the liberal humanism of Gandhi and his followers, such as their global approach, patriotism and non-violent nature.

Works of Indian fine and applied arts could be found in Budapest museums, he said, while India's cultural inheritance had attracted Hungarians for many generations and Indian philosophy and artistic values had become a part of the Hungarian way of thinking.

Demszky voiced the hope that Sharma's visit would encourage ties between Budapest and major Indian cities.

Sharma and his party then went for a boat trip on the Danube. In the evening, the Indian president and his wife will attend a performance of the Hungarian state folklore ensemble.

Holds Talks With Jeszenszky

BK2207043493 Delhi All India Radio Network in English 0245 GMT 22 Jul 93

[Text] The president, Dr. Shankar Dayal Sharma, met with the Hungarian foreign minister, Dr. Jeszenszky, and the country's international economics ministers, Dr. Bela Kadar, in Budapest yesterday evening. The president said the task before the world today is to adopt a system of cooperation among nations to promote development. Referring to India's technical and economic cooperation program with Hungary, Dr. Sharma said this can widen trade relations between the two countries. The president said the Indian rupee remained stable even after becoming fully convertible and this shows that the country's economic measures have started yielding results.

Earlier, the chief mayor of Budapest presented the key of the city to the president at a function. Speaking on the occasion, Dr. Sharma recalled the cultural ties between the two countries. Earlier, during the day, the president laid a wreath at the monument of Hungarian heroes.

Foreign Affairs Spokesman Briefs Press on CEI

LD2107162693 Budapest MTI in English 1459 GMT 21 Jul 93

[Text] Budapest, July 21 (MTI)—The Central European Initiative [CEI] prime ministers conference last weekend was an opportunity for Hungary to again clarify its position on Slovakia's Council of Europe membership to all parties affected, said Hungarian foreign affairs spokesman Janos Herman on Wednesday.

In his letter to Czech counterpart Vaclav Klaus, Hungarian Prime Minister Jozsef Antall outlined Hungary's stand on Slovakia's membership to an earlier enquiry of the Czech Republic, Herman said. He added it seemed Klaus misinterpreted Antall's letter, because it was not a signal of Hungary launching new "action" but it expressed Hungary's expectations of new council members, in line with Council of Europe recommendations, after Slovakia's admission.

Herman said Klaus had failed to publicize all parts of Antall's letter, suggesting an interpretation which was not in accord with the letter's original spirit and intentions.

The political statement adopted by CEI prime ministers signalled that all CEI members were aware of the need to protect minorities, and supported an idea to hold a conference in Budapest on the issue, despite some differences of opinion about the goal of the conference.

A result of the latest Hungarian-Slovak talks, Herman said, was that a minority affairs committee of experts, which the two countries' prime ministers agreed to set up last September, would start negotiations in Bratislava soon.

Herman said Hungary and Slovakia would examine possibilities to open new border crossings and reopen closed ones. Also, the countries agreed to create a fund to rebuild a bridge on the Danube between Sturovo in Slovakia and Esztergom in Hungary.

Experts from Hungary and Slovakia will soon open talks on bilateral relations and conditions necessary to start negotiations on a basic treaty.

In the Hungarian Foreign Ministry's view, Hungarian President Arpad Goncz's recent visit to Russia gave a further boost to Hungary's ties with Russia. Good political ties had a favourable effect on spheres of practical

cooperation as well, signalled by a 17-per-cent growth in bilateral trade in 1992, Herman said.

Speaking about Hungarian-Romanian ties, he said recently, Hungary had sent a memorandum to the Romanian Foreign Ministry calling for the opening new border crossings, because of the summer flow of Turkish guest workers travelling home via Hungary and Romania. Hungary proposed to reopen crossings at Battonya, Mehkerek and Dombegyhaza, at least temporarily, to ease the burden on other border stations. So far, Romania had not sent an official response but expressed agreement in theory with Hungary's proposal.

About the Serbian blockade on the Danube, Herman said Hungary did everything to keep navigation on the Danube continuous within limits set by UN sanctions against Yugoslavia. Hungary's representative had raised the issue in the UN Security Council's Sanctions Committee, and the committee was expected to discuss it on Wednesday or Thursday, Herman reported.

Referring to a conference of Hungary's ambassadors, held in Budapest recently, Herman said Hungary had diplomatic ties with 168 countries, and had 76 embassies, 17 consulates general and six other missions all over the world.

At the conference, Hungarian ambassadors received first-hand information on political and economic developments in Hungary. Although Prime Minister Jozsef Antall was not present, he sent a message to participants, summing up developments in diplomacy since the start of the political changes and priorities in Hungary's foreign policy concerning European integration.

The ambassadors agreed that there was a consensus in essential foreign policy issues and that Hungarian diplomats had to represent national interests independently of home affairs. They said the Foreign Ministry played a key role in this, Herman reported.

More Weapons Sent to Southern Border Area

LD2207141793 Budapest MTI in English 1402 GMT 22 Jul 93

[Text] Budapest, July 22 (MTI)—Special units on Hungary's critical southern border between the Danube and the Drava Rivers have been equipped with guided anti-tank weapons, senior border guard official Col. Jozsef Lovasz told a news conference in Pecs on Thursday.

Lovasz said the Serbs had blocked two roads leading through the border near udvar in southern Hungary and at Barajnsko Petrovo Selo for fear of renewed fighting in Croatian areas controlled by them.

Journalists were briefed on incidents that have worried local border populations in the last six months, such as Serbian armed men in police uniform threatening Hungarian peasants at work, fires spreading over the border, parts of an exploded tractor falling onto Hungarian territory and Serbian soldiers shooting to pieces six border signs at Old.

Lovasz advised local villagers to stay away from the border, which is mined on the other side, and take care when bathing in the Drava because of hidden explosives.

Meanwhile, the 80 per cent increase in border traffic in the past six months has been due almost entirely to Croats coming over to shop, while most Hungarians choose to cross at Barcs.

Editorial on Slovak Intentions Concerning Border

AU2107143593 Budapest UJ MAGYARORSZAG in Hungarian 21 Jul 93 p 1

[Editorial by Gabor Czako: "Where Is the Border?"]

[Text] Mr. Meciar and Mr. Moravcik regularly state that the Hungarian-Slovak basic treaty will be signed soon, a treaty that will declare the border between the two countries as permanent. They forget that, in view of previous agreements and international treaties and declarations also accepted by them, this is totally useless even for the protection of such a soft and young state as theirs.

The Hungarian side has the right to expect the basic treaty to stipulate that our northern neighbor respects the human and national minority rights of the Hungarians living there. Because Mr. Meciar is also afraid of letting the Hungarians or Ruthenians carry their own names, and Foreign Minister Moravcik had to state recently that they would also give the Hungarian community the right of self-administration if there were pure Hungarian regions in Slovakia. Well, let us tell him that there are no pure Slovaks either. Can one sign an agreement with a side that does not keep its own promises? A single really strong agreement has emerged between the two countries so far, namely the London protocol. This stipulates the Slovak obligation to return the waters of the Danube stolen by them. Well, the new friends of law have not even moved their finger since then.

Speaking about borders, what kind of unchanged borders are we talking about here? The borders drawn by the Paris peace agreement? Where is this border now, Mr. Meciar, and who violated it? Who changed the peace border by robbing a part of Hungary by diverting the Danube without any legal right whatsoever? Is it this aggression, which is also a serious ecological attack against Hungary, that you would like to approve in the form of a treaty? Tell us: If the Paris peace treaty is not valid in the area of Bos, why would it be valid elsewhere? Hungary does not ask you this question officially probably because it is sure that you are aware of this yourself and you will recall your greyhounds.

Foreign Trade Deficit Totals $1.5 Billion

LD2107072493 Budapest MTI in English 0654 GMT 21 Jul 93

[Text] Budapest, July 21, 1993 (MTI-ECONEWS)—Hungary's foreign trade deficit stood at USD 1,589.4 million at the end of May, the latest figures from the Ministry of International Economic relations show.

Hungary's exports totalled usd 3,140.2 million in the first five months, 27.1 per cent down on the same period of last year, while imports amounted to usd 4,729.6 million, up by 4.8 per cent.

The trade deficit grew by USD 490.2 million in may, when exports amounted to usd 616.1 million, 33.2 per cent down on the figure for the same month of last year, and imports totalled usd 1,106.3 million, 22.1 per cent up on the may 1992 figure.

At the end of may last year, Hungary's trade deficit stood at USD 205.7 million. exports in the first five months of last year were 19.8 per cent up on the same period of 1991, and imports were 2.9 per cent up.

In the first five months of this year, Hungary's exports to EC countries were down by 31.8 per cent as compared to the same period of 1992, while imports from the ec were up by 3.1 per cent. Hungary's trade deficit with the EC stood at usd 493.3 million at the end of May, with Hungarian exports of USD 1,454.0 million and imports of USD 1.947.3 million.

Exports to developing countries fell the least, by 19.1 per cent, but these sales represented only 6 per cent of the total. Exports to industrialised countries were down by 29.3 per cent, while exports to former socialist countries were down by 23.2 per cent as compared to the first five months of 1992.

Imports from industrialised countries were up overall by 6.8 per cent, although imports from EFTA countries were down by 4.4 per cent. The greatest increase occurred in imports from developing countries which were up 19.5 per cent, while imports from former socialist countries were down by 1.6 per cent on the same period of last year.

Hungary's farm and food exports dropped by 41.7 per cent, exports of consumer goods by 33.8 per cent and exports of materials and components by 20.3 per cent as compared to the first five months of 1992. Farm and food imports increased by 14.8 per cent, imports of machinery and equipment by 13.9 per cent and imports of consumer goods by 10.3 per cent.

Article Examines BBWR, Political Scene

AU2107120993 Warsaw GAZETA SWIATECZNA in Polish 17-18 Jul 93 pp 14, 15

[Article by Wiktor Osiatynski: "The BBWR and Others"]

[Text] The BBWR [Non-Party Bloc in Support of Reforms] does not enjoy a good press. Journalists and politicians are complaining about it, especially activists in the larger parties. I also have complaints, but not just about the BBWR.

There is something to complain about. The bloc, created in response to calls from the president, is undoubtedly a very risky undertaking. It might disrupt what is by its very nature the fairly slow process whereby political parties are created. It might result in disagreements within the reformist camp. It might bring careerists, losers, and the fringe elements of current political life to power. It smacks of the corporatism that was the power base of Mussolini, Salazar, Franco, and several Latin American dictators.

The theses that Andrzej Olechowski nailed to the door of the BBWR cathedral in Lazienki are so obviously a collection of banal statements that they can support any political program, and as these banal assertions are of a such general kind, even if none of them were realized, there would be no danger of exposure to charges of deceiving the electorate.

Reading the BBWR theses, one becomes convinced that the movement does not have a program, or more precisely, it has no program other than that of gaining as many seats in parliament as possible.

But does anyone at all have a program? A program that is coherent and directed at specific people and social groups and containing specific proposals for action? Perhaps some of the smaller parties do, those representing clearly defined interest groups, such as [Alexander] Hall's conservatives. However, the larger parties do not, and that is not that surprising.

A Confusion of Orders

We still do not have an electorate that is clearly divided up, so election programs have to be of a general kind; they must draw on general slogans and emotions, and not refer to specific things, which can always alienate someone.

The BBWR is trying to combine what cannot be combined: employers and workers, peasant and local government. Four years of creating a market economy have shown quite clearly that the old "Solidarity" vision of an idyllic relationship between employers and workers is unrealistic and even dangerous for the economy. It is time to state bluntly that a conflict between those groups might be something creative if it proceeds within an organized framework and in a clearly defined manner. Local government, on the other hand, belongs to a different political order than employers, employees, and peasant farmers. In a word, the confusion is total.

However, that is the case everywhere and that is the way things have to be, because it is the way in which our political system is being formed. All the parties are looking for support from various groups. The small parties, which the electoral code will wipe of the scene, might be an exception.

What about the large parties? The Democratic Union [UD] is issuing appeals to the capitalists and the workers, and that part of its program that concerns a self-governing society is clearly addressed to local government bodies. The PSL [Polish Peasant Party] is collecting votes from peasant farmers and the local level nomenklatura—which has now turned into owners of banks, those who provide farmers with supplies, and purchasers of agricultural produce—which still lives off the peasant farmers. The SLD [Democratic Left Alliance] has a program that is directed simultaneously at workers and the unemployed, as well as at capitalists, so many of whom have grown out of the ranks of the predecessor of the SdRP [Social Democracy of the Republic of Poland] and today give financial support to parties on the left. The parties of the center and the right are trying to simultaneously attract capitalists as well as people who are particularly frustrated, those who are brought out into the streets not only by [Center Accord leader Jaroslaw] Kaczynski, [Movement for the Republic leader Jan] Parys, [Mazowsze Solidarity leader Maciej] Jankowski, but also by poverty and unemployment.

Against this background, the BBWR does not look at all bad. Through its election campaign, it is not only trying to unite social groups, but also political groupings. That is how it differs from parties, which instead of uniting, are splitting everything that is left to split.

At this point, it is worth complaining about more than the BBWR.

The Crosses War

The actions of many parties cast doubt on the importance of political sciences and all forecasts based on rational motives.

As we know, the electoral code introduced thresholds for parties and coalitions in order to accelerate the process leading to the crystallization of an efficient political system by encouraging small- and medium-sized parties to form alliances and coalitions. However, so as not to give party leaders complete control over the results of the elections, the principle of placing a cross next to the name of a candidate was introduced.

The aim was that parties should form coalitions so that the new parliament will be more efficient than the previous one, while at the same time leaving voters some control over how coalition partners will be ultimately represented in the parliament.

The rational forecasts have failed. Politicians' personal ambitions have taken precedence over the interests of a party system, and a crosses war has begun. The war is an all-out one. It must have released so much emotion among party activists that they have now rapidly found themselves on the verge of self-destruction.

This also applies to such well-known parties as the ZChN [Christian-National Union], the PL [Peasant Accord], the PC [Center Accord], and the RdR [Movement for the Republic]. Since they have found themselves close to or even below the election thresholds and unable to reach agreement among themselves, they risk departing from the political scene.

It is true that one political scientist explained to me that Jan Olszewski is deliberately risking the defeat of the RdR in the elections, because he later wants to create a launching pad for the presidential elections outside parliament. These calculations on the part of the head of a government that was widely considered unsuccessful and a party that can count on the support of two to three percent of the electorate have as much in common with rational political action as Janusz Korwin-Mikke's boasting that his Union of Real Politics will come in third in the elections.

The stupidity and megalomania of the Polish right may be hereditary, because we have not had a sensible right-wing party in Poland for the past 100 years. However, things are no better in the center. The liberals, who are on the edge of the election threshold, cannot reach agreement with the UD, although the electoral code favors all the participants in a coalition that collectively obtains more votes.

The UD is also fiddling while Rome burns. Even a party that has such a wealth of personalities to draw on should not allow itself the extravagance of fielding two well-known leaders in one electoral district, because after all, they have the entire electoral lists in tow. In addition, under the crosses-against-names approach, there will have to be some tacit rivalry between candidates over gaining popularity among voters. Meanwhile, the UD intends to field Mazowiecki and Suchocka in Poznan and Kuron and Geremek in Warsaw.

What will the UD stand to gain—and the candidates themselves—if it turns out that Suchocka is more popular than Mazowiecki and that Kuron is more popular than Geremek or vice versa. Will the party change its leader or will his position just become weaker?

Costly and Suicidal

What is even more surprising is the attitude of some UD activists toward the BBWR. Irrespective of how one views the BBWR, the bloc has been formed and such is the nature of public life that it will not dissolve itself of its own accord. Walesa will also not dissolve it.

Common sense would dictate that everything possible should be done so that the parties backing reform and the BBWR will jointly win as many votes as possible and form a majority able to continue with the reforms in the new parliament. There is a danger of a bitter conflict erupting between the parties backing reform and the president.

A battle with the BBWR may be suicidal for the UD and would certainly be very costly for the reforms. Walesa is probably right in saying that the main parties in the next Sejm will be the SLD, the PSL, the UD, and KPN [Confederation for an Independent Poland]. So, the reformist camp can more or less count on the support of one-third of the electorate. It should seek to hold on to them and try to win the support of half of those who are still undecided. Some kind of unwritten agreement between the UD and KLD [Liberal-Democratic Congress] on the one hand and the BBWR on the other hand could serve that end, because Walesa and Olechowski could get through to those quarters where there is nothing for UD and the liberals to look for. Of course, the members of the reformist camp might start fighting among themselves and with Walesa, which will only please their opponents.

Besides, the attitude of the parties toward Walesa is even more surprising than their attitude toward the electoral code and their own interests.

Porridge With the Fireman

The right has been attacking the president for having dictatorial leanings. However, the ideology of right-wing groupings in no way rejects a presidential system or authoritarian solutions. It is just Walesa that they do not like.

On the other hand, the two parties on whose support Walesa can normally count—the PSL and the KPN—can be described as those parties that are the most consistent in being opposed to reform and free market economics. They support a president who, at critical times, turns out to be the most effective defender of market-oriented reforms. It was, after all, Walesa who had [former Finance Minister Leszek] Balcerowicz serve another term of office, who created the liberal party out of nothing, who proposed [Jan Krzysztof] Bielecki for the post of prime minister, and who defended the Suchocka government and a reformist budget.

Meanwhile, the pro-reform parties have an ambivalent-cum-insolent attitude toward Walesa. They believe that in every critical situation, he should jump over the fence and rescue those wiser colleagues from oppression. However, after he has performed his fireman role, he should pack his things, go off to fish, and not get in the way of the real politicians.

Walesa was an excellent arbiter when he demanded [former Prime Minister Jan] Olszewski's dismissal, immediately chose [PSL leader Waldemar] Pawlak as prime minister and replaced [former Interior Minister Antoni] Macierewicz with [Andrzej] Milczanowski, when he dissolved the Sejm, and when he vetoed the

pensions bill. However, whenever Walesa has himself wanted something done about a particular matter, there has immediately been an outcry from the very same ranks, accusations that he is exceeding his powers, that he is striving to establish a dictatorship, and, lately, that he wants to make the party system repugnant and destroy it.

From the Belvedere's perspective, things look entirely different. This is how Minister Andrzej Zakrzewski viewed the formation of the BBWR: After calling elections, Walesa at first sought to persuade the governing coalition to forge a joint electoral platform. That turned out to be impossible.

"Then we spent two weeks waiting for someone from the coalition to call us and say that they wanted to have some porridge at a joint breakfast," says Zakrzewski. "But we waited in vain until the Network [Siec] came along with its non-party forum. Immediately after that, the business community said that it would not fund political parties' election campaigns. A dangerous vacuum arose. That is when the idea of the BBWR was born."

The lightening success of the idea also surprised those who came up with it.

Not By Parties Alone....

It is a fact that the BBWR might prove destructive in relation to the political system, which has been built with such great difficulty. The politicians do not like the BBWR too, especially the leaders of the relatively stable parties. However, the opinion polls show that the the BBWR is less disliked by society than by the politicians.

There is nothing surprising about that, because the BBWR poses an incomparably greater threat to the parties and party leaders than to Poland. The creation of a party system, which the politicians might consider to be their primary task, is an important element of the reforms, but it is only one of many, and it is by no means the most important one.

To understand that, complaining is not enough. Serious thought must be given to the essence of the changes taking place in Poland.

Several Rivers Sharing the Same River Bed

Many of our problems stem from the fact that several revolutionary transformations are taking place in the country at the same. We are simultaneously going over to a free market economy, to private property, and to democracy. At the same time, we must create a constitutional rule-of-law state and civil institutions that are independent of the state. Never before has a society gone through all these transformations at the same time, and that is why many political scientists, ones favorably disposed toward us, doubt whether it is at all possible.

Until now we have been successful, but one cannot fail to notice a discrepancy between these changes. One of the biggest discrepancies is the clash between the economic and legal reforms on the one hand and the creation of a party system on the other.

The economic reforms, drafting of a constitution, and changes to the legal system are undertakings that require a large degree of harmony and consensus among all participants in political life. On the other hand, the creation of a party system, which in Poland was not the result of a long process of representing social interests, but rather the result of decisions imposed from the top, requires discord and disputes.

Parties seek not only supporters who might vote for them, but also group interests which they might represent. Therefore they must establish their identity, and show show they differ from other parties. This is not something that can be done in agreement and harmony. This is something that has to be argued about.

Both these exceedingly necessary yet contradictory processes are taking place inside parliament. Parliament is supposed to adopt a new constitution, for which the votes of two-thirds of the chamber are required, as well as laws on which the success, or at least the speed, of the economic reforms depends, for which the votes of at least half the chamber are required. At the same time, the parties inside parliament must consider their futures, define their identities, and look after the interests of the people whose votes they want to have. In a nutshell, the parties must argue with each other.

It is exactly as if there were two rivers sharing the same river bed, but flowing in opposite directions.

It is this very conflict that led to the previous parliament's downfall. As time went by, party interests clearly became more important than the reforms, adoption of a constitution, and passing of other major legislation. In fact, parliament became completely incapable of performing its chief functions, i.e. drafting legislation and supporting and controlling the government. Before its demise, parliament still managed to adopt an election code that should accelerate the development of a party system, but this code need not be at all favorable for the other reforms.

Given the great discrepancies between objectives, the most important thing is to establish priorities. Naturally enough, the most important thing for party activists, including BBWR activists, seems to be the consolidation of their own parties. But to me this does not seem so important that it has to be done at all costs, for I know of democracies where party systems developed over several decades. I know of no democracy that managed to survive and achieve prosperity without private ownership, a free market, middle class, and developed civic society; in other words a network of organizations, associations, and other forms of contact, including economic contact, between people, independently of the state. Parties fulfill their role best when they combine the above types of civic institutions with an apparatus of state authority.

This means that the chief objective in Poland should be the continuation of the market reforms, privatization, and an acceleration of the process of developing a civic society, and not the consolidation of a party system at all costs. Of course, having market reforms as a priority does not mean we have to have a pro-capitalist dictatorship. Because the state still has a large role to play in the economy, a suspension of democracy in the economic sphere would destroy the market and replace it with Mafia-like associations of politicians possessing capital, from which everyone would suffer. Therefore the most important thing is to preserve, or perhaps regain, the support of most of society for the reforms, in other words a pro-reformist majority in the new parliament and the creation of institutional prerequisites for a more effective implementation of the reforms.

The first task is to win support for the reforms from people who are not too happy about the way in which these reforms have proceeded so far, or are opposed to them altogether. As I said, the BBWR may achieve this, provided that it does not enter into an election struggle against other pro-reformist groups, especially the Democratic Union.

What Walesa Has Learned From Kaczynski

The second task concerns institutional solutions. The previous parliament was incapable of drafting a constitution. The political majority in the new parliament might be as instable as it was in the previous one, because the election interests of individual parties will become more intense as time goes by. One can assume that only in the beginning of its tenure will the new Sejm be capable of reaching decisions of major importance.

That is why it seems essential to carefully separate the economic reforms from politics. The reforms should be implemented by parliament, and politics should be dealt with by the government. Parliament should exercise overall control over the government by means of the budget law, votes of acceptance, and, if necessary, motions to dismiss the government. Apart from that, a reformist government should possess a feeling of stability. It should have the power to issue decrees on the subject of reforms, so that essential reform legislation does not fall victim to growing party parochialism.

In Europe, there are two systems that permit such a separation between government and the formulation of politics. The first is the chancellor-type system in Germany, which, while preserving the dominant position of parliament, provides the government with a feeling of stability and freedom of action, mainly by means of the so-called constructive vote of no-confidence, which involves the need (not merely the possibility, as is the case in Poland) to appoint a new prime minister at the same time. The second system is the French one, which in fact gives the president, and the government which he controls, control over parliament.

I think a parliamentary-cabinet system of the German chancellor type would be incomparably better and safer for Poland than a presidential system. But the Belweder has different ideas.

Walesa, Drzycimski, and Falandysz have been talking about the French political model for six months. The main criticism of this system was expressed by Jaroslaw Kaczynski, who pointed out that a presidential system of the French type requires the existence of a strong presidential party which Walesa does not have and will not be able to form. Even so, the Belvedere has prepared a "French" pattern of a constitution. Differences of opinion on this very subject were one of the reasons why I quit the relevant Belweder team after its very first meeting.

I think it is also worth viewing the BBWR as a possible parliamentary support group in favor of a constitution that suits the president. In this respect, the Belweder is playing its game carefully, and without risk. If the BBWR gains few votes, it will remain a loose pro-reformist coalition. But if it gains more votes than other parties, it will become first of all a mouthpiece for the president's constitution, and after this constitution has been adopted it will become a presidential party. That is bound to tidy up our party situation more quickly than any threshold in the parliamentary elections.

None of this will take place without more expense and danger, but it need not create a dictatorship right away. Although I prefer a parliamentary-cabinet model, the French system also falls within the category of democratic forms of government, From the point of view of the reforms, this system could prove more effective than the hitherto method of daily parliamentary control over the reforms, provided that the extent of presidential power is very clearly defined, and that this presidential power is itself subject to control.

Taking a Close Look at the BBWR

Personally, the BBWR program fails to convince me that I should vote for it. I will remain faithful to one of the reformist parties, the Democratic Left Alliance or Democratic Union, or, even better, a coalition of these two parties. They would take Poland through the most difficult period of reforms and provide the best guarantee that these reforms will be continued. But I would like to see the BBWR an ally of these reforms. I would warn people not only against fighting the BBWR, but also against making hasty judgments of it. I would do everything I can to extract and strengthen the advantages for the reforms that might emerge as a result of the BBWR.

The BBWR may serve to destroy the political system we have had until now, but it could also represent a chance of development. It will become a destructive force if it enters into, or becomes involved in, a struggle against other parties, particularly the reformist ones. It will represent a chance of development if, during the election campaign, the climate of struggle is accompanied by a climate of bringing together adherents of various paths

of development, parties, and social movements. That in turn depends on the BBWR, but it also depends on the major parties.

Nevertheless, the BBWR's greatest chance lies in creating a civic society. Since 1989 it has proven very difficult for the state to create such a society, and the political parties have also been unable to do so. If it remains a loose coalition of various groups, the BBWR could begin to form permanent civic institutions, particularly at the local level. It may establish not only election committees, and not just political parties, but most of all organizations of employers that are different from trade unions and new farmers unions. If such institutions emerge and survive the elections, that will be society's biggest dose of energy since 1980.

But whether or not they actually emerge depends on the creators of the BBWR inside the Belweder and on the BBWR's members and supporters in the voting districts and on the election committees.

As we can see, the BBWR has a great potential, both a destructive one and a constructive one. Right now one can only guess what the intentions of its creators are. But their deeds will soon become apparent.

Therefore one must keep a careful eye on what the BBWR does. First, one must observe in which direction it aims its election campaign. Will it try to deprive the reformist parties of their votes, or will it address itself to the disappointed and undecided members of society? Second, one must observe the people it selects. Will they be genuine activists, as mentioned by Lech Walesa in his 13 July television speech, or will they be political sheep, in other words people who blindly allow themselves to be controlled by the leaders in the Belweder? If the second case occurs, I will become afraid of the BBWR and the president himself. But I hope the election campaign and the free press will reveal the truth behind the BBWR candidates quite quickly.

Third, one must see whether the BBWR merely tries to win votes, or whether it attempts to leave a permanent record of itself, especially in small towns. Finally, one must observe the BBWR's attitude toward parliament and the parties. For I am very concerned about the critical tone vis-a-vis parliamentarism, expressed, for example, in the president's 14 July news conference. Parliament must be improved and made more democratic, not destroyed, for that would be the end of democratic reforms.

The BBWR's attitude toward these issues will provide a gauge according to which one can assess its candidates and decide whether or not to vote for them.

However, let us not imagine that the election struggle will be clean, the election programs comprehensible, and the election participants irreproachable. There is bound to be a lot of confusion, noise, and dirty tricks. However, two things should be borne in mind. First, one must remember that every single vote cast in the elections strengthens democracy, no matter who the vote is for. Second, these elections are more important to the politicians than to the voters, for it is not the elections, or not just the elections, that determine the new Poland. What determines the new Poland is capitalism, a free market, a middle class, and a civic society. The last two qualities should develop independently of the state, mainly thanks to the free market

The Country Has Become Beautiful, But the People Ugly

From this angle, let us take a look at the past four years. During this time, Poland has changed out of all recognition. It has livened up. We quickly passed through the not-too-aesthetic stage of street trading, which revealed the huge amount of economic energy inside people, energy that had been suppressed by decades of economic idiocy and infamy. Along roads, even roads in small towns and rural areas, and beside houses, signs appeared, making it clear that something was being produced, processed, bought, or sold in practically every single home. The streets of cities became full of life. People brought out their tables, chairs, and umbrellas into the street and started cooking and selling food.

A lot of nice stores appeared, with equally nice goods inside. Even though many people have become poorer, there are a lot of people who have enough money to buy things from these shops and eat in these restaurants, for these establishments show no signs of becoming bankrupt. Despite the recession, municipal authorities have somehow found the money and people to clean out the wells, mow the lawns, and clothe municipal officials in nice clothes and uniforms.

It is only the people themselves who have become ugly, especially since the elections were announced. This applies particularly to the people in newspapers and television news footage. They have become obstinate and somehow evil.

Gentlemen Are Fighting, Ladies Are Fighting

This is all a fight, and fighting ruins people. That is why priests have also become ugly. They no longer profess faith, hope, and charity. Instead, they have decided to combat sin and the liberalism that encourages it. Seldom have I seen anyone as ugly as a certain female doctor, the author of a program on sex education (she once received an award from the education minister), who said that a girl indulging in premarital sex is like a rotten apple.

One would like to shout: "People, take a look in the mirror. You will see how fighting ruins people." In their obstinacy, people are losing contact with reality, with other people, and finally with themselves.

And yet more and more people are fighting and becoming obstinate. Not only enemies are fighting each other, but also people who should be mutual allies because they support the same cause. Indulging in the fighting are politicians, people in power, and people of

values and ideas. Even the president and his entourage have become obstinate, as one could see by watching his latest news conference.

One might ask what all this fighting and expended energy can achieve. But it will achieve nothing.

The foundations of progress and democracy are being laid not by the noble leaders of parties but by others. Kaczynski and Olszewski, [PL leader Gabriel] Janowski and Jankowski, [ZChN leader Stefan] Niesiolowski and Mazowiecki, as well as other party activists, are building a party system that is one of the many components of democracy, but they are not building a new, more beautiful, and better Poland.

The foundations of progress and democracy are being laid not only by those who are building a party system. A new, more beautiful and better Poland is also being built by those who deliberately avoid contests between parties. People like Balcerowicz, [Minister of Foreign Economic Relations] Lewandowski, and [National Bank head] Mrs. Waltz. A new, more beautiful, and better Poland is being built by Wieslaw Rozlucki, the founder of the stock exchange; Zaraska and Niemczycki, founders of private banks; and even by Gawronik and Lekszton, by means of all the work they did before their personal files ended up in the prosecutor's office. But most of all, the new Poland is being built by the millions of Poles who have placed tables and chairs in the streets, erected signs outside their homes, and started to produce, process, and sell specific goods.

The main task of the politicians is to make it easy for these people to perform this activity and to encourage them to continue at it. The obstinate, fighting politicians can delay this process. Ordinary people, still annoyed by the never-ending fighting of the politicians, but becoming increasingly indifferent to it, may stay at home instead of going out to vote and, thus, deprive the political system of its legitimacy. That will make it difficult for democracy to mature. Others might take to the streets and seek a short cut to equality and general prosperity. That could delay the reform process.

But nothing will stop the economic energy that accumulated over the decades and erupted with unprecedented strength in 1989. Only a tank can do so. But fortunately, that tank is covered in rust for the time being.

Government Parties Level 'Mutual Accusations'

WS2207090193 Warsaw RZECZPOSPOLITA in Polish 21 Jul 93 p 1

[Article by Malgorzata Subotic: "Will It Be Possible To Observe Nonaggression Pact; It Is So Hard To Refrain"]

[Text] Will the government coalition parties manage to avoid mutual accusations during the election campaign? Formally, everything is clear: They reached a pact on nonaggression a few weeks ago. Nevertheless, we have seen the first symptoms of election competition, which, of course, does not at all mean that the prediction of Krzysztof Krol of the KPN [Confederation for an Independent Poland] will come true; namely, that the two parties that will most fiercely fight against each other at the end of the election campaign will be the Democratic Union [UD] and the ZChN [Christian-National Union].

The leaders of practically all the parties, both those forming the government and the opposition, give assurances that they will not criticize the others. They are equally unanimous in saying that the campaign will "certainly be very tough." For the time being, the situation is pretty quiet; nonetheless, the election show is not yet in full swing.

There was only one thing that could guarantee the avoidance of mutual accusations: forming an election coalition by the Hanna Suchocka government. Despite the proposal of both the president and the prime minister, "this was unreal," as the ZChN Leader Wieslaw Chrzanowski stated later. Suchocka's entourage also failed to create two blocs, instead of one. It seems most likely that the UD and the liberals will run in the election separately, while the ZChN will run together with the Polish Convention.

"We have seen the first symptoms that the nonaggression pact will not be observed, and the last stages of the campaign may set the government parties against each other," says Jan Maria Rokita, head of the Office of the Council of Ministers and a member of the UD. He immediately, however, adds with hope that it is too early to speak about that. For many months, the discipline of the government members was maintained, and they did not make any attempts to level accusations against each other. "Now it is becoming obvious that as a result of the election campaign, the discipline is being breached." Here are some examples: recent statements by Deputy Minister Ryszard Czarnecki (ZChN), attacking the UD and the KLD [Liberal-Democratic Congress], as well as the criticism of the Ministry of Ownership Transformations, expressed by the head of the Justice Ministry (ZChN).

Statements by the leaders of the UD and the KLD concerning the Church are rather moderate. Jan Krzysztof Bielectki says that the fact that priests speak about not paying taxes as a sin, is "valuable assistance." Tadeusz Mazowiecki confines himself to the statement that priests cannot split the believers during the election campaign.

Perhaps, then, it will be possible to avoid a "religious war" among the parties of the coalition government. The only thing is, the activities of the government become most susceptible to any attacks before the election. Some people think that the criticism of the prime minister and his entourage is the electoral "shot in the bull's eye." In practice this means that the UD may lose votes; the same goes for the KLD, but to a lesser degree.

The ZChN can at last openly criticize the policy of the Suchocka Government; for example, the policy concerning international financial institutions; also, without any limits imposed by the coalition, it can emphasize its character—not only Christian, but also national. The latest statements by Deputy Prime Minister Henryk Goryszewski (ZChN) seem to confirm it.

In the meantime, it may turn out that the two parties that fight most fiercely with each other at the end of the election campaign will not be the UD and ZChN, as predicted by Krol, but the UD and the KLD. According to sociological research, both parties are trying to win over largely the same electorate. For the liberals, it is a question of to be or not to be, probably not only in the legislature.

The tougher the competition among the government coalition parties, the more unlikely it will be to reconstruct the same government bloc after the election.

Liberal Democrats Name Over 400 Sejm Candidates

AU2207090393 Warsaw PAP in English 1744 GMT 21 Jul 93

[Text] Warsaw, July 21—Over 400 candidates in all constituencies will run to the Sejm (lower house) on the ticket of the Liberal Democratic Congress (KLD). The list of the candidates will be known by August 10, head of the KLD election headquarters Jacek Merkel announced today.

Under a new electoral ordinance, August 10 is the date originally set as the deadline for all constituency lists to be presented to electoral commissions.

Eighteen seasoned KLD parliamentarians will be the leading candidates on district electoral lists, with former Prime Minister Jan Krzysztof Bielecki running for the Sejm seat in Warsaw, Jacek Merkel (Szczecin), Andrzej Arendarski, the present foreign economic relations minister (Krakow), Michal Boni, the deputy labour minister (Katowice), Tomasz Bankowski (Kielce), Janusz Lewandowski, the privatisation minister (Poznan) and Donald Tusk, the KLD leader (Gdansk).

Merkel said that qualifications and usefulness in implementing party election programme were the main factors in appointing candidates for the Sejm. He stressed that the liberals attach great importance to the candidates' high professional skills and good reputation.

KPN Issues Election Manifesto

AU2207085193 Warsaw PAP in English 1442 GMT 21 Jul 93

[Text] Warsaw, July 21—The rightist Confederation for an Independent Poland (KPN) issued its election manifesto today with an appeal for an end to the destruction of the Polish economy.

At a meeting at Warsaw University, representatives of the KPN unveiled a policy of reconstruction and restructuring of the Polish economy, on the basis of internal strengths and capital.

KPN leader Leszek Moczulski did not rule out the possibility of KPN participation in a future government.

Several party economic experts, who intend to run in the parliamentary elections on the KPN ticket, claimed that it would be better to cover the budget deficit with the issuance of money than through raising old taxes and introducing new ones.

One of key manifesto points is fighting economic crime. "One has to stop deterioration of finances," Janusz Szewczak claimed. In his opinion it can be achieved by investment and tax reliefs.

The KPN representatives denied that they oppose privatisation and foreign investments. Aleksander Jedraszczyk claimed, however, that privatisation should be "an instrument of achieving pro-development targets," while foreign capital, though necessary, cannot make the national economy become international.

SLD Drafting Election Program

AU2207085993 Warsaw PAP in English 1931 GMT 21 Jul 93

[Text] Warsaw, July 21—Head of the National Election Committee of the post-communist Democratic Left Alliance (SLD) Wlodzimierz Cimoszewicz said that the SLD election programme contains both critical elements of the present situation and specific positive proposals.

Speaking in an interview with PAP, Cimoszewicz said that another element of the SLD programme is a "secure Poland," secure for all citizens, both in the sphere of their personal and social security.

The SLD is preparing very concrete election commitments in the field of economic and social policy, that the party will be able to meet once it gets sufficient support in the September elections, he said. He added that the list of the commitments will be published next week.

He declared that SLD is ready to play fair and in a good-mannered way during election campaign as long as their opponents do the same. "Our aim today is not to fight with anyone but to convince those that are still unconvinced to our programme," Cimoszeicz said.

He said that over 560 candidates to the Sejm (lower house) and over 60 to the Senate will run on the SLD ticket in the elections.

Debt Negotiator Rejects London Club Offer

LD2107130993 Warsaw Radio Warszawa Network in Polish 1005 GMT 21 Jul 93

[Text] The negotiations on the repayment of debts amounting to 12 billion dollars that Poland owes to

banks associated with the London Club have not yet ended, but we will reject the bankers' proposal, Deputy Finance Minister Krzysztof Krowacki said. He is chairing the negotiations for the Polish side.

The western bankers would like to reduce the debt by just over 30 percent and not by half, which is being demanded by the Polish negotiators. Deputy Minister Krowacki added that Poland would ask the western bankers to give the proposal some more thought in the next few days and to work out a new proposal.

Poland, EC Sign PHARE Aid Distribution Program

AU2207085793 Warsaw PAP in English 2046 GMT 21 Jul 93

[Text] Brussels, July 21 - Polish Minister for Contacts with the European Communities Jan Krzysztof Bielecki and Vice President of the EC Commission Leon Brittan signed in Brussels today an "indicative programme" for the distribution of 225 million ECU [European Currency Unit] aid granted to Poland under the EC's PHARE [Economic Reconstruction Aid for Poland and Hungary] programme.

The sides have agreed that the aid should go first of all to such sectors as agriculture (30 million ECU), education and training (45 million ECU), transport infrastructure (18 million ECU), reform of the financial system (10 million ECU), telecommunications and postal services (7 million ECU).

The adoption of the indicative programme required certain compromises as not all the priority tasks on the Polish Government's list coincided with the priority targets set by the EC Commission, Bielecki commented. He explained that, for instance, privatization was included in the "special reserve" group and not in a separate programme which may make it harder for Poland to obtain sums for privatization purposes.

According to the EC representatives the indicative programme reflects to some degree the changes in the structure of PHARE approved by the EC summit in Copenhagen which has agreed to earmark for investments 15 per cent of the PHARE budget.

Since 1990 Poland has been awarded a total of 805 million ECU under the PHARE programme of assistance but of this some only a small part has been paid out yet.

World Bank Approves New Loans

LD2207125893 Warsaw TVP Television First Program Network in Polish 1000 GMT 22 Jul 93

[Relayed by Warsaw TV Polonia]

[Text] Finance Minister Jerzy Osiatynski has disclosed that the World Bank has approved two new loans for Poland worth a total of $750 million. The money will be allocated for the restructuring of banks and enterprises and for improving the agricultural infrastructure.

Polish Consul Views Relations With U.S.

AU2007102193 Poznan WPROST in Polish 19 Jul 93 pp 44, 45, 48

[Interview with Jerzy Surdykowski, Polish consul general in New York, by Waldemar Piasecki in New York; date not given: "Polish Five Minutes"]

[Text] [Piasecki] You have an excellent knowledge of America and Polonia [emigre Polish community], but I know that your opinion of them diverges widely from the stereotyped views prevalent in Poland. People there are still generally convinced that Polonia is a great social force, consisting of 190 million people prepared to do a lot for Poland, if not everything.

[Surdykowski] The many Polish myths include an old, peasant myth about Polonia. According to this myth, those who escaped from Polish poverty and went to America settled there and made some kind of fortune. Having saved a "few dollars," they became important in the eyes of their poor compatriots at home. This myth was kept alive in communist Poland by the black-market rate of exchange of the dollar. Great Polonia, in its traditional mythological meaning, ceased to exist a long time ago.

[Piasecki] What caused the myth to collapse?

[Surdykowski] First, the collapse of heavy industry. The great industrial centers created many low-paid jobs that were occupied by Poles and other hard-working and poorly-educated newcomers who knew no English and were doomed to live in ghettos. Second, the spread of education and the ethnic distribution of children. Thus, English became the children's first language, and not their mother tongue. This marked the collapse of the Polonia that was centered on Polish parishes, newspapers, lawyers, and other means of contact with the outside world, but at the same time it marked a great advancement in the form of a loss of Polish nationality and conversion into American citizens possessing full rights.

[Piasecki] Loss of nationality was a form of social advancement?

[Surdykowski] There is nothing surprising about that, and there is nothing to feel sorry for. In the middle of the 1930's there were 34 Polish-language dailies in the United States. Today there are only three. But that is no reason for nostalgia. The descendants of these emigre Poles simply became a normal, healthy part of American society. They are inside American society, not outside it.

[Piasecki] Is that what the emigrants expected when they took with them their roadside chapels, altars, and even villages?

[Surdykowski] They took with them Poland, for what else did they have? But what else could this Poland, transferred to America, have become if not a xenophobic ghetto? True, for the first few generations the Poles did resist and defend themselves somehow, but in the end the desire to assimilate in society and not remain outside it triumphed. I consider that a sign of maturity.

[Piasecki] So can we talk about a Polish ethnic group in the United States, numbering about 9.4 million people according to the latest census?

[Surdykowski] I categorically reject the term "ethnic group." These 9 ½ million people are nothing more than Americans who admit to having some kind of Polish roots. They are conscious of having had a grandmother or grandfather in Poland. It does not mean that they still cultivate Polish customs and traditions, to say nothing of the language. Remembering an ancestor in Galicia [southeast Poland] is just the same as remembering a second ancestor in Kiev, for example, and other ancestors in Italy or Germany. That is the way in which the roots of Americans are intertwined, and there lies the strength of that nation. These days it is megalomania to describe a particular American as a Pole.

[Piasecki] So let us adhere to the description "Poles." Are Poles significant in the United States?

[Surdykowski] That depends on the criteria we apply. Several years ago, surveys were carried out investigating the material circumstances of families of various ethnic origins. The results came as a complete surprise, because the Poles emerged in third or fourth place, close to the Italians. There are no great millionaires among the Poles, but there are no paupers either. The Poles work very hard and are acquiring assets. They invest cautiously, and save up for hard times. All in all, one can say that as a social group, they have succeeded.

But if we try to assess Polish influence on politics and Polish representation in elected American authorities, the picture is, unfortunately, worse. This representation is becoming weaker with every successive election. The Poles lack the will to act together, and feel no need to confirm their presence in American society. There is no desire to form a Polish lobby [preceding word in English]. Everything costs money, unfortunately; taxes have to be paid, and things have to be bought. Appropriate office premises, lobbyists, and funds are required in order to implement these aims. Somehow the Poles are incapable of understanding that. Other groups in the United States do these things better, such as the Jews, Italians, Chinese, Koreans, and even Ukrainians.

[Piasecki] But a moment ago you said that the assimilation of Poles in American society is a favorable phenomenon.

[Surdykowski] What else can happen to an ethnic group in this melting-pot? I only wish the Americans were conscious of their roots and possess a certain feeling of responsibility toward the "old country."

[Piasecki] In that case what is the Polish American Congress doing? It aspires to be world leader of the Poles.

[Surdykowski] That organization has so far been unable to carry out modern political lobbying on a nationwide, statewide, or citywide scale. It is quite simply too poor, old-fashioned, and parochial. What is worse, it has neglected to recruit young people, both immigrants from Poland and descendants of Polish immigrants in the past. Finally, the strongest organizations that make up the Congress are self-aid funds set up by Polish ghettos on the threshold of the 19th and 20th centuries, for instance the Polish National Alliance. These organizations have a wonderful history, for they helped Poles adapt. But they continue to represent the old-style pattern, which never envisaged political activity as we know it today. That is not the right attitude. That is why many people of Polish descent, advancing and making careers in American society, are shunning Polish emigre organizations, losing contact with them, and have no intention of belonging to them any more. These are people with a realistic view of life. As the Polish American Congress is incapable of helping them to advance, they are choosing another way. To make things worse, the cultural pattern presented by these organizations has no connection with reality.

[Piasecki] How is Poland's position currently viewed in the United States?

[Surdykowski] The Solidarity myth is fading, and so is the Walesa myth. In America, Poland has enjoyed its "five minutes" several times in recent history. The first time was when a Polish pope was chosen, the second time was when Solidarity was formed and martial law introduced, and the third time was when communism was overthrown in 1989. That is a lot, and we cannot expect to remain popular forever.

How do they see us right now? Poland is viewed as a distant European medium-sized country. It is considered normal because it is free, but it is poorer than others. Nevertheless it is an interesting country, because despite all the mistakes it has made, it is fastest in carrying out political changes in a direction that is understandable to the Americans. It is also a promising country, with good press reviews ever since the first signs of economic growth began to appear in the middle of last year. I think the Americans view what is happening in Poland quite objectively and with warm feelings.

[Piasecki] But in Poland people are convinced that the price the Americans have paid us for overthrowing communism is insufficient.

[Surdykowski] I have leaflets in which a certain gentleman claims that the West should pay Poland $320 billion in cash for Yalta, World War II, and all the country's other postwar sufferings. However, the United States is the most heavily indebted country in the world, and the only money it can pay Poland is the capital of businesses, private corporations, holding companies,

and banks. This money will certainly be invested in areas where it will accrue interest. Banks are not concerned about Solidarity, the fall of communism, and Walesa. All they are concerned about is the money that can be made in Poland.

[Piasecki] You are stubbornly calling on American businessmen to come to Poland. What are you offering them?

[Surdykowski] I tell them that Poland is a bit like the American Wild West at the end of the 19th century. In the Wild West there was no infrastructure, and the roads along which bandits lay in wait were nothing but dirt tracks. Nevertheless, people of an adventurous and independent spirit were drawn there. Anyone who settled there usually profited from it. Those who wanted to live comfortably like in New York came back disappointed. It is just the same in Poland. It is a country that is still growing and transforming itself. It is still experiencing birth pains, and is not devoid of distortions. Many Poles are cursing the changes, but these changes are occurring nevertheless, and in the right direction.

So if some businessman decides to invest in Poland even if he is aware of the risks, then he deserves praise. In any case, we all know that as far as investments in Poland are concerned, the United States is in second place behind Italy.

[Piasecki] Is there complete freedom in Polish-American relations?

[Surdykowski] As far as relations between a poor medium-sized country and a world power are concerned, yes. There is no pact, or ties, or pressure whereby political decisions in Warsaw are dictated by political decisions in Washington, unlike relations between Warsaw and Moscow under communism. However, a great power has various ways of exerting pressure, such as economic sanctions. America is very sensitive to the absence of copyright legislation in Poland. No wonder it is applying pressure for Poland to bring back a law that is appropriate to the civilized world, because the absence of this law is harming U.S. interests. That is why we keep hearing that Poland will not receive this, that, or the other as long as it does not adopt a copyright law. Relationships between a large, rich country and a small, poor country will always be that way. Of course the smaller country can turn away offended, or it can negotiate, having in mind its own interests and those of its richer partner. I think the second course of action is the only sensible one.

[Piasecki] Perhaps the "rifle affair" is also a part of the "negotiations."

[Surdykowski] This is not a subject of negotiations, unfortunately. This is something that, once given a push, gathers its own momentum. On the American side, no one has any control over it. Third-rate agents have caught second-rate middlemen involved in arms deals, and they are pretending they have aces up their sleeves. The Frankfurt operation was botched, people neglected to obtain credible evidence of the Poles' guilt, if, that is, such evidence was ever obtainable in the first place. Since then, these third-rate agents have been afraid of their own skins and fearful of losing their professional status, and it is this fear that dominates the whole affair. That is all. The whole thing is like a snowball, to be thrown at someone in the end. It is not the accused who will get hit by the snowball. I believe they are innocent and will leave prison as clean men. Why are we unable to put a stop to this continuing burden? Because everything is taking place in a climate of lies and falsehood, and on both sides. On the American side because no one wants to admit to his mistakes, and at the same time the political authorities are pretending that nothing is going on, that it is just an ordinary criminal case. I understand that toward the end of the Republican administration, everyone thought only about new jobs, but the new Democratic administration is also ignoring the political effects of this affair and giving up control over it. The wrongs committed on the Polish side consist of biased, sometimes even deceitful, press commentaries and the fact that this affair has been coldly misused in order to wage political battles against the government. Sometimes white lies are uttered about a violation of international law and about the existence of some special legal rules on the subject of extradition. It is even said that this is a piece of American provocation aimed against Polish industry, that the accused were representatives of the state, that the Foreign Ministry is doing nothing, etc. Yet the American administration has not violated any principles of international law. It might have violated some moral principles, but that is not the same thing. All the accused, with the exception of Mr. R. Szwonder, who is in Poland, were private middlemen. The Foreign Ministry has been intervening in this affair since the very beginning, first among the German authorities, then the American authorities, and then at high levels.

[Piasecki] And you, as consul general, have done nothing wrong?

[Surdykowski] I am angry that I am unable to stop this accelerating snowball, that I am confined to routine consular work, involving sending one of my employees to prison to visit the accused men, and trying to improve their situation. I am angry that I am unable to stop the disastrous political consequences of this affair, which at this very moment is ruining Polish-American relations and Poland's entire image in America, and will have an even worse effect on Poland if the accused are found guilty. Not even during 40 years of indoctrination did the communists succeed in staging a single anti-American demonstration in Warsaw. And yet the presence in Warsaw of an American prosecutor has been enough to send people marching in front of the U.S. Embassy chanting "Yesterday Siberia, Today Alaska." Poland was the most pro-American country in the world, but this pro-Americanness has now faded. And if the accused are found guilty just before the elections, even if their sentence is a mild one, that could work to the disadvantage of the ruling coalition and bring about a

populist government, resulting, later in the future, in a domino effect that might destroy the new democratic order in Central and Eastern Europe that was built with such difficulty. Is that what our American allies want? Are they aware of the disastrous avalanche they have started? After all, the course of history has been changed several times by the unintentional side effects of actions by third-rate figures.

[Piasecki] In an essay in GAZETA WYBORCZA on the subject of Polish sovereignty, Karol Modzelewski cites, apart from the "rifle affair," also the Kuklinski case. This is meant to illustrate the American administration's violation of Polish sovereignty, by pointing out how this case should have been or could have been settled by Warsaw. Do you agree?

[Surdykowski] I respect Modzelewski, but I do not share his opinion. It is not true that high-ranking American officials are telling Poland what Poland should do about the Kuklinski case. When John Davis spoke out on this issue, he was no longer U.S. ambassador, just as Jan Nowak-Jezioranski was no longer an official. This also applies to Professor Brzezinski.

I think the Kuklinski case was badly presented, for it sparked a debate on whether he was a traitor or a hero. A debate like that has no legal qualities. We know that during martial law, the law was misused for political ends. Now the law should be used to repair wrongs. Therefore the proper way is for the prosecutor general or the relevant military prosecutor's office to reexamine these issues. However, the point of departure for this must be the will of the person concerned. Discussing whether he was a traitor or a hero serves no purpose.

[Piasecki] Do you think Poland will ever again be "in fashion" in the United States?

[Surdykowski] God forbid. I only hope the time will come when Poland is talked about as little as possible, for that will mean that Poland is a normal county. One does not hear much about normal countries, but life in such countries is much better. My dream is for Poland to become stabilized and be outside the mainstream of European events, which will be dominated by Germany, France, England, and most likely Russia. I would like Poland to have the same status as Spain or Austria, something like a European backwater. If we find ourselves there, and people stop talking about us all the time, that will mean that we are a normal country. Only then will one be able to say that the great plan, commenced in 1989, to transfer Poland to the West, has succeeded.

Role of Foreign Capital Investment Viewed

PM2107143293 Katowice TRYBUNA SLASKA in Polish 16 Jul 93 p 4

[Article by Alicja Ogieglo: "Who Is Afraid of the Dollar?"]

[Text] Public opinion surveys indicate that the idea of privatization of our postsocialist economy is not, as such, rejected by a great many opponents. Differences of opinion begin with the discussion of the preferred methods of privatization and the question of whether to sell Polish factories into the control of foreign capital. What is our experience to date? Are we really selling out our assets to foreign buyers?

At the moment, foreign capital is involved in only 29 out of the 69 companies that have been privatized to date. The Ownership Transformations [Privatization] Ministry has its own firm favorite in the International Paper Company, an American concern which has bought shares in Kwidzyn's Celuloza paper plant. The transaction turned out to be quite lucky for Minister Janusz Lewandowski. It was awarded the title of "Transaction of the Year 1992" by CENTRAL EUROPEAN, a British business periodical. The buyer paid the not inconsiderable price of $120 million in exchange for securing his rights to 80 percent of the company's shares. In addition, the International Paper Company undertook to invest $175 million in the company as a part of its modernization program.

A majority packet of shares in the Telfa S.A. teleelectronic company was purchased for $28 million by another American concern, AT&T. The company will manufacture the latest, state-of-the-art generation of AT&T's digital telephone exchanges. Another major firm which decided to invest its capital in a Polish business venture is Gerber Products Company, which purchased 60 percent of shares in Alima S.A. Rzeszow Fruit and Vegetable Processing Plant. The value of Gerber's investment is estimated at $25 million, and its additional modernization and other projects are expected to involve the investment of another $42 million. Benkiser purchased a controlling packet of shares in Pollena Nowy Dwor for 8 million Deutsche marks [DM], while Henkel paid DM17 million for 72 percent of shares in Pollena Raciborz S.A. Foreign capital is clearly at home in the chemical products sector. A considerable number of Polish chemical products manufacturers has been "handed over" to foreign buyers by the Ownership Transformations Ministry on the assumption that this particular sector of the industry stands no chance of holding its own in foreign markets without outside financial involvement. The manufacture of washing powders, for example, is controlled by just a few international chemical concerns, whose domination in the world market must be acknowledged by any local manufacturer who intends to stay afloat. We buy the same cleaning products which German and American housewives buy for their homes. Is it really so essential that we should actually compete with their manufacturers in all areas? Surely it is much more important that Polish workers have jobs in Polish factories rather than be forced to find them abroad.

Fuels and telecommunications represent two other areas in the Polish market which are highly attractive to

foreign investors. Both are currently undergoing intensive privatization operations. Under the Polish People's Republic [PRL] rule, our telecommunications market remained virtually archaic. Today we note a superabundance of modern systems on offer. Apart from the AT&T involvement in the market, we now have Spanish, German, and French capital competing with one another for customers. This is the result of the Ownership Transformations Ministry's conclusion that Polish companies alone are unable to keep pace with the extent and pace of capital investment projects needed to bring Polish telecommunications up to date and match them to world standards. The Communications Ministry estimates that we require annual capital investment on the order of $900 million (600,000 lines a year). Nor are we able to bridge the gap that places us far behind our foreign rivals in the field of research and development: We simply do not have enough capital to finance new projects in these fields. Our own, Polish entrepreneurs occasionally do buy sizeable companies, but such examples as the case of the Ksiaz Porcelain Manufacturing Plant only serve to highlight the unfortunate condition and poor development potential of domestic capital. The conflicts which have raged and still continue to rage between the owners and the trade unions will in all probability ultimately lead to a repeal and cancellation of the original contract. On the other hand, foreign capital investors have to date most scrupulously observed all their contractual obligations concerning their work forces' social welfare conditions and entitlements. They offer guarantees that current employment levels will be maintained for the duration of specified periods of time, and they pledge to continue to bring in new investment projects. They introduce new technologies and new management methods that have been tried and tested in the West. Frequently, it is solely the presence of foreign capital that makes it possible to save near-bankrupt enterprises from liquidation and guarantee that their products can be marketed along with the "savior" companies' goods.

Given our situation and circumstances today, it would be a complete misunderstanding to see things in terms of domination of foreign capital over our own, domestic capital. It would be tantamount to creating a typically Polish kind of dilemma, akin to wondering in all seriousness whether we should wash our hands or, instead, our feet. The truth of the matter is that the presence of foreign capital in our economy is simply more visible, and the problems that it is alleged to cause are blown up artificially by a few small but vociferous parties which intend to make their own political capital out of the doubts and reservations entertained by certain social strata.

'Faulty' Computer Causes Trawler To Enter Russian Zone

LD2107194893 Warsaw PAP in English 1928 GMT 21 Jul 93

[Text] Warsaw, July 21—The Polish trawler "Homar" from the "Odra" deep-sea fishing enterprise of Swinoujscie (Szczecin Province) detained in the sea of Okhotsk by Russian control vessels had most probably trespassed on the Russian territorial waters by one mile, an official of the Polish Foreign Ministry announced on Wednesday [21 July].

Stanislaw Pawlak explained that the incident was due to the faulty indication in the navigation computer and the Polish side is clarifying the problem now to the respective Russian authorities.

The Polish vessel has been impounded in the Russian port of Magadan until the investigation is finished.

Iliescu Receives Italian President Scalfaro

AU2107160793 Bucharest ROMPRES in English 1525 GMT 21 Jul 93

[Text] Bucharest ROMPRES, 21/7/1993—In a statement to the press made after his official talks with Italy's President Oscar Luigi Scalfaro, Romania's President Ion Iliescu stressed the special significance of the Italian president's visit: "It crowns a three and a half year evolution of the bilateral relations, Italy's political support to the internal transformation processes experienced by Romania as well as Italy's contribution to Romania's integration in the European bodies."

"The over two thousand joint companies with Italian participation are a sign of the good relations between the two countries, of the Italian support to the revigoration of the Romanian economy," President Iliescu said. In point of investment overall worth, Italy ranks first.

In his turn, the Italian head of state emphasized the friendly character of his visit, stating that "without friendship there cannot be a united Europe."

Italy's comprehension for Romania's problems is not a kind of present, an act of good will, it emerges form Italy's belief that Europe must be united precisely for the goal of avoiding tragic experiences such as Yugoslavia's.

Vacaroiu Discusses Miners' Claims

AU2107110293 Bucharest ROMPRES in English 1005 GMT 21 Jul 93

[Text] Bucharest ROMPRES 21/7/1993—"The claims of the Jiu Valley coal fields miners cannot be satisfied (they demanded a 300 percent salary increase)," says Premier Nicolae Vacaroiu in the daily MERIDIAN. The prime minister acknowledged that the miners' claims had to be examined carefully as work underground is hard and poses threats. He mentioned that a government commission had analysed all these issues during a dialogue with miners' leaders. "Any analysis has to take funds into account," specified the premier.

Nicolae Vacaroiu rejected the idea that if dissatisfied miners could come by thousands to Bucharest (as was the case in 1990 and 1991, but for other reasons) "I don't think their (union) leader Miron Cosma is up to that now," added the premier. "It is normal for him, who leads a union confederation, to have high claims. That is the unions' role. The problem is how much can be given to the miners."

Iliescu Advisers Involved in Ceausescu Arms Deals

AU2107171393 Bucharest ROMANIA LIBERA in Romanian 15 Jul 93 p 1

[D.P.-signed note: "Two Presidential Advisers Directed Arms Transactions"]

[Text] Two of the current advisers of President Ion Iliescu were involved in arms exports, an action through which former communist dictator Nicolae Ceausescu managed to pay back an important part of Romania's foreign debts. The two are Nicolae Popescu, former commander of the Inspectorate of Communications Troops, and Vasile Ionel, former chief of the Army's Supply Department, both generals with the Ministry of National Defense. This news item was released by weekly CUVINTUL, whose latest issue also reveals the names of two other individuals involved in arms dealing in the 1980's: General Victor Atanasie Stanculescu, who, after December 1989, held such positions as minister of national defense and economics minister, and Marcu Todor, brother of the Romania Mare Party's senator Corneliu Vadim Tudor. The latter, the weekly writes, became anti-Semitic in 1980, on orders from the higher leadership of the Romanian Communist Party.

Iliescu Discusses European, Balkan Issues

AU2107195493 Bucharest DIMINEATA Supplement No 80 in Romanian 15 Jul 93 pp 2, 4

[Interview with President Ion Iliescu by Alexander R. Serban of the U.S. magazine LEADERS; place and date not given: "Romania Has Made Efforts To Be a Sanctuary of Stability and a Factor of Balance"]

[Text] [Serban] The international situation has changed in the past five years. In your opinion, what opportunities are there in today's world? What are the disadvantages?

[Iliescu] The division of the world into two sides has been completed and the year 1989 marked the radical remodeling of Europe's political configuration. In Europe, this process was consolidated through the CSCE. Thus, the Paris Charter marks a new stage in the evolution of cooperation and European integration.

At the international level, the United Nations has played a more active role in solving crisis situations, enjoying the support of a group of countries in specific matters. Military, political, and ideological divisions have disappeared in Europe and the world, and a new path has been paved for developing global relations within a new context of cooperation.

In Europe, the Iron Curtain has been replaced by a new, economic one. In many respects, this curtain is denser and more difficult to overcome than the preceding one. The discrepancy between the economic development of the West and East is exacerbated by the economic convulsions that have emerged in Central and Eastern Europe.

[Serban] What does this mean for Europe?

[Iliescu] Two contradictory processes have emerged on our continent: In the West we note a trend toward integration, with Maastricht marking a new stage in economic and political union. In the East, on the other

hand, we are witnessing the disintegration of statal communities. Federal states fall apart. The Soviet Union has generated a number of new states, many of which manifest separatist tendencies. Czechoslovakia has split in two, and the Yugoslav states are engaged in military confrontations rooted in ethnic and religious conflicts.

[Serban] In this context, is the European Community able to offer a foundation for Europe's union—from the Atlantic to the Ural?

[Iliescu] The European Community is able to offer a foundation for the union of our continent, but this will not take the form of a "broad continental federation," a sort of United States of Europe. The mere desire to create a network of solid economic relations based on the same economic principles will take years. The main obstacle to be overcome is the profound moral, social, and economic crisis in the former communist countries. Although it seems strange, the collapse of the communists regimes was the easiest part. The creation of a new foundation for our societies is more difficult and will need genuine support on the part of the developed countries.

[Serban] Romania recently signed the statute of association with the European Community. Who is going to benefit from it?

[Iliescu] Through the signing of this treaty, we have embarked on a long road at the end of which we hope to have a competitive economy within the European context. In the long run, a sound Romanian economy will strengthen our commitment to peace and stability in this area and will ensure an expanding market for West European commodities and services.

[Serban] NATO has expressed interest in the strategic position held by Romania. Is Romania currently considering a military alliance?

[Iliescu] We view the relations established with NATO and other organizations as being of the first order. Romania has a strategic interest in being linked to all European structures and institutions designed to guarantee its security and to further the process of European integration. Consequently, we have participated in all cooperation structures of NATO, WEU, and the Council of Europe, and we intend to go ahead until we are fully integrated as a member of those organizations.

[Serban] What role can Romania play in an area devastated by war and secular conflicts of a religious, ethnic, or territorial nature?

[Iliescu] Close cooperation in solving this crisis would guarantee stability in the common interest of countries in the Black Sea area. Stability is a precondition for continuing to develop modern economic relations.

We are interested—and actually pursue—closer relations with all our neighbors and with other countries, as well as with domestic institutions that want to play an active role in this area; regional conflicts, however, complicate the changes we are facing right now. So far, Romania has made efforts to be a sanctuary of stability and a factor of balance, despite our domestic problems. Romania can actually become a mediator and a channel of access in this region. It is necessary for the international community to make efforts to stabilize the convulsions that have spread in this area, because they threaten to involve the international community.

[Serban] What solutions would you suggest for the conflict that has enveloped former Yugoslavia?

[Iliescu] We believe that the only viable solutions are political and diplomatic ones. "Military" solutions will only aggravate the problem, as the latest developments in Yugoslavia indicate. The military conflicts between Croatia and Serbia have worsened this situation. In Bosnia they have made positions more radical and compromise more difficult to obtain. We appreciate the efforts made by the EEC and the USA to promote political solutions. This process is continuing and is of major importance for stability in this area.

[Serban] To what extent has Romania been affected by the conflict in former Yugoslavia?

[Iliescu] Being located in the center of these processes in the area, Romania has been directly affected, particularly at the economic level. The difficulties created because of the interruption of international economic relations have been serious. Both Yugoslavia and the former Soviet Union were important traditional partners for Romania's trade relations. These markets have been lost. It is estimated that Romania has losses in excess of $7 billion because of the embargo imposed against Yugoslavia.

[Serban] Has the expansion of the ethnic conflict in Yugoslavia affected your own interethnic relations? Is there any danger in this respect?

[Iliescu] The increasing interethnic tension and, finally, the outbreak of the conflicts in Yugoslavia and the former Soviet Union have made the preservation of normal interethnic relations more difficult. We have, however, overcome these exacerbations. The status of the Hungarian minority in Romania is protected by the new Constitution and other special laws that guarantee all minorities, in conformity with international standards, individual, political, economic, and social rights, including freedom of expression.

[Serban] What efforts have you made toward concluding an understanding with Hungary, your neighbor in the West, with which Romania has had territorial problems?

[Iliescu] Romania is interested in maintaining friendly relations with all our neighbors. The changes that have occurred throughout Europe have paved the way for new approaches in Romanian-Hungarian relations. The bilateral treaty being negotiated right now is designed to create a new basis for cooperation in various areas; it permits a mutually acceptable approach in areas of

special interest such as the rights of people belonging to minorities in each of the countries and the recognition of current borders.

[Serban] From a historic point of view, Romania has held an enviable position in this region that has drawn the attention of Western Europe. Why?

[Iliescu] Romania's importance lies in its geostrategic location here at the crossroads of Europe, the Middle East, and CIS states that have emerged on the territory of the former USSR, as well as in the fact that it is not far from North Africa and the Arab world. Romania has easy access to large waterways: the Black Sea, the Mediterranean, and the Danube. It is an area of communication and an intertwining of civilizations and of geographical, economic, and strategic spheres. Romania also has a lot of natural resources.

[Serban] Once upon a time, Romania was the "bread basket" and "gas station" of Europe. Will it ever regain this title?

[Iliescu] If natural conditions for agriculture, as well as the important social changes that have occurred are borne in mind, then there are serious reasons to believe that Romania will again be the "bread basket," if not for the whole of Europe, then at least for our area. Agriculture has a particular potential. The wine industry has a long-standing tradition; it produces quality wines that are recognized at the world level.

In connection with the crude oil production, things, however, are different. Our resources are much below the level of our domestic needs. In exchange, however, we have a relatively large capacity for processing and refining crude oil. Consequently, Romania could become an important partner for producing countries and, at the same time, a distribution center for all of Europe.

[Serban] Upon which other sectors and natural resources do you intend to capitalize?

[Iliescu] Aside from petrochemistry, the machine-building and rolling-stock industry, ship-building, electronics and computer industry are currently developed branches. From garments to furniture, from timber to pharmaceutical products, and from chemical products to household appliances, Romania offers extraordinary opportunities for foreign investors.

[Serban] What is your view on tourism?

[Iliescu] As a medium-size country, Romania offers diverse landscape: From the beautiful seaside to the tourist areas of the Carpathian mountains and the castles of Transylvania. The heart of our country is full of centuries-old palaces and monasteries that have not been touched by industry and modern civilization. Hundreds of years of culture have been protected by architecture and the attention of the people in the various areas. The Danube, the Danube Delta, and the Carpathians are ideal for fishing, hunting, and holiday-making.

[Serban] What are some of Romania's most precious assets?

[Iliescu] Aside from natural resources, Romania has a noteworthy human potential. With a population of 23 million inhabitants and a powerful qualified labor force market, Romania is ahead in its competitiveness compared with other countries in this area and in the world. In our country, the average educational level amounts to 10 years of education. Thus our human potential is the most valuable resource on which we will base our progress in the future.

[Serban] Economic reform is of particular importance to foreign investors looking toward Eastern Europe. What measures has Romania taken on its path to the market economy? Are these lessons valid for others as well?

[Iliescu] The structure of the national economy has suffered fundamental changes; one of them is the dismantlement of the centralized economy—of control—and of its institutions. Prices and foreign trade have been liberalized thus creating the bases for the operation of the market. The banking and financial systems have also been freed from centralized control and the institutional framework for privatization has been created.

The most important lesson is probably that social reforms have to adjust to specific local conditions. Each country has to experiment with a variety of ideas and alternatives before finding a solution that will best match its specific conditions. No matter how great our desire to speed up the reform process, one should not go beyond a certain limit, so that the population is able to endure the inevitable hardships of this process. The transition costs are steep and therefore they must be made bearable.

[Serban] How do you attract foreign investors?

[Iliescu] We have issued laws to facilitate things and encourage foreign investors. The parliament made progress in offering incentives to foreign investors by facilitating conditions for the transfer of profits abroad and passing assets to the ownership of foreign economic enterprises.

[Serban] What is the status of private property?

[Iliescu] Legal procedures for buying land have been worked out. The parliament has adopted a law on the distribution of lands to farmers. Thus, 80 percent of tillable land is private property now. We are also ahead of our neighbors as far as the privatization of state enterprises is concerned. The law provides for the sale of 70 percent of these enterprises to Romanian and foreign investors. Discussions are underway concerning the conditions in which the latter may own land.

[Serban] What results have been achieved?

[Iliescu] Shell, Coca Cola, Alcatel, Colgate Palmolive, Castrol, Amoco, Bouyques, Siemens, and ABB are just a few companies already in Romania. The fact that a great number of companies are expanding their business with

Romania and an increasing number of medium-size companies want to make deals here is a clear indication of the tremendous potential Romania offers to foreign investors.

[Serban] What facilities can you offer for investments?

[Iliescu] Following the experience of China and of a few countries in the Persian Gulf, we are in the process of organizing a few free trade zones: On the Black Sea shore and along the Danube, which, we hope, will attract foreign investors. The fact that they are located in the Danube Delta, close to the Black Sea and the Middle East is a great advantage. The new Rotterdam-Constanta watercourse creates a pivot of communication and trade of common interest for all countries within or outside it. We are an ideal channel for investors from the United States and Japan who are interested in the markets in Europe and Russian, and in access to the Middle East.

[Serban] Before investing in potential markets, foreign investors check domestic stability. How are you going to get rid of the "myth" that Romania allegedly is not politically stable?

[Iliescu] I do not have to do away with it. The facts will do that. We have had three rounds of elections since the [December 1989] revolution; all of them took place under the supervision of international observers and all being recognized as free and correct elections. After the violent collapse of the former regime, Romania experienced a troubled beginning. These times of tension have had serious repercussions at the international level, and were exaggerated a great deal by the mass media. Nevertheless, businessmen, politicians, and tourists are almost unanimously surprised to discover that things are much better than the image created by the mass media. I think that this poor and distorted image of Romania is something that belongs to the past.

[Serban] The 1989 revolution has often been called a coup d'etat. Three years later, uncertainties still envelop that event. What is the best interpretation?

[Iliescu] There are numerous mysteries about the December 1989 events. A parliamentary commission is working to clarify things that are still unclear. One thing is certain: No matter what secret scenarios or interventions, we have had a revolution as a clear expression of the desire of millions of Romanians, who, through an explosion of heroism, removed Ceausescu's totalitarian regime. If you look at the political and economic changes since then, you will note that there can be no doubt about the nature of "the revolution" of those events.

[Serban] What have you achieved in the past three years?

[Iliescu] We have set the foundation for a modern democratic state. Only five months after the revolution, the first free elections introduced political pluralism in Romania with a multiparty system and a bicameral parliament. This elected body also served as the Constituent Assembly, empowered and authorized to formulate and adopt the new Constitution. After the new Constitution was adopted on the basis of a referendum, local and general elections were held in February and September 1992, thus concluding the process of consolidating political structures on the firm basis of democratic principles.

[Serban] Has Romania become a democracy now?

[Iliescu] I think that Romania now has the specific structures of a constitutional state of law, which include mechanisms for consolidating the democratic development of the political system. The process will continue. It is a long-term process, but we have already achieved fundamental changes.

[Serban] How has Romania solved tendencies toward perpetuating authoritarianism in the presidency?

[Iliescu] Our kind of government specifies precise functions for the president. We are not a presidential republic. At the same time, the president is elected by direct universal vote, not by parliament. Consequently, it is not a parliamentary republic, but a "semi-presidential" republic. The president plays the role of a mediator among the three branches of power: the parliament, government, and judicial power. He has clearly defined duties in the defense, national security, and foreign affairs areas. The president plays a major role in representing the country abroad. He promulgates the laws adopted by parliament, playing a rather formal role, although he plays an active role in the political activity of the country, especially during times of domestic and foreign crisis.

[Serban] What are your objectives as president?

[Iliescu] I try to adjust my activity to international current relations to consolidate our opening to the world marked by the December 1989 revolution; first, by supporting European communication and integration and, second, by encouraging and developing positive relations of cooperation with other areas of interest, with the great powers of the world—the United States, Japan, China, India, and Brazil—as well as with other Latin-American countries and the Arab world.

[Serban] Any president has to accept the difficult task of representing those people who did not vote for him. How do you cope with this situation?

[Iliescu] The way any democratically elected president does. The genuine essence of democracy is pluralism, which means that people may have different opinions but will still work together. The president of Romania is the representative of all citizens and he is called upon to protect and defend the rights and freedoms of each of them, irrespective of political opinions.

[Serban] Which past leaders inspires you?

[Iliescu] President Franklin Roosevelt led the United States during the Big Depression. His qualities as a

leader permitted him to act as a catalyst in difficult times, something that earned him great popularity at home and, through his role in World War II, in the world. In the wake of World War II, President de Gaulle, as the representative of France's renaissance after German occupation, accomplished France's opening to the world.

[Serban] Since Romania is making efforts toward integration with the international community and continues the reconstruction process, what is the general guiding idea?

[Iliescu] We are thinking of a long-term national strategy of some 15-20 years with the aim of unfettering the tremendous intellectual potential available in our country. I think that we are now passing from a quantitative evolution of economic development to an evolution based on creativity, because resources are constantly decreasing. The intervention of the mind for the purpose of replacing what nature no longer can abundantly offer is our aim. We are trying to define our national development, especially the achievement of a modern base in the economic system, along with preserving an ecological balance that will better match international trends.

[Serban] What is, in your view, the most important topical problem for mankind?

[Iliescu] There are a few problems, but at the international level the conflict between the developed and underdeveloped world is the source of a major potential problem for international stability. The United Nations, international economic organizations, and various individual political initiatives should concern themselves with the formulation of a uniform and unswerving policy toward the underdeveloped world. Economic rehabilitation and the creation of stable and viable economies are priorities for normalizing life in those countries and for integratiNg them in the international community.

[Serban] What are the qualities needed to be successful in your position? Does patience play a role?

[Iliescu] It certainly does, but I think that what is more important is the ability to understand the needs and expectations of the man in the street and to convey a message of trust. These are the main qualities needed. The moment a politician tries to cheat, he is lost. People will endure any hardship and will make every effort as long as they feel that their leaders are honest and sincere and do not back out of their commitments.

[Serban] Where can I find Dracula—the vampire—for an interview?

[Iliescu] Try Hollywood!

Protocol on Association With EC Signed

AU2007143993 Bucharest ROMPRES in English 1250 GMT 20 Jul 93

[Text] Bucharest ROMPRES 20/7/93—Romania and the EC have signed an additional protocol to the agreement of association with the European Communities and to the interim accord between Romania and the EC.

The protocol improves the provisions covering imports by EEC countries of Romanian industrial goods and farm produce, for which the two agreements make provisions for a several-year-phased liberalisation. To this effect, customs dues for industrial goods, other than textiles and steel products, will be completely abolished by the end of a time intervals much shorter than initially planned, that is 2 years instead of 4 and 3 instead of 5, while EEC contingencies on Romanian goods are to be augmented at a rate of 30 percent as against only 20 percent as formerly provided. Textiles will be totally exempted from dues in five years from now versus the initially stipulated 6 years, and steel goods will benefit from the same reduction, that is 4 years versus 5.

The facilities recently approved on import conditions from EC-associated countries have been unilaterally granted by the EEC in consonance with the principle of "asymmetry of concessions" which was one of the basic principles underlying the negotiation of the European agreements with "the 6" from Central and Eastern Europe. An official of the EEC Commission revealed that the intent purpose of the new trade facilities was to "support the efforts of the associated countries to modernise their economies and succeed in an as fast as possible transition to a market economy." The additional protocol can be signed after the documents in question are adopted by the Ministerial Council of the EEC.

PNTCD Protests Dismissal of Tribunal Head

AU2107163093 Bucharest ROMANIA LIBERA in Romanian 16 Jul 93 p 9

[Statement by National Peasant Christian Democratic Party on the Dismissal of the President of Bucharest Municipality Tribunal, Corneliu Turianu: "A Mean Act of Revenge"]

[Text] The National Peasant Christian Democratic Party [PNTCD], taking note of the dismissal of the president of Bucharest Municipality Tribunal by the Minister of Justice, Mr. Petre Ninosu, believes that the measure adopted is a flagrant violation of the law. The reasons given to support this measure are completely unjustified because seeking headquarters for the Court of Appeal in Bucharest was not part of the Bucharest Tribunal president's duties, but in fact part of the duties of the Ministry of Justice, although access to information of press representatives has to be free in accordance with the law.

The real reasons for this dismissal are quite different, namely ensuring correct local and general elections in

Bucharest—to the extent to which this depended on judges—which were won by the Democratic Convention of Romania [CDR]; another reason is the way in which Bucharest Municipal Tribunal solved the disagreement with Ion Iliescu's candidature for the position of Bucharest senator.

Thus, the dismissal of the Bucharest Municipality Tribunal president is nothing but an act of mean revenge against an honest and competent judge, who proved his uprightness toward political power. This dismissal does not only deal a blow to Judge Corneliu Turianu, but also to the independence of the justice system which those in power are thus attempting to subordinate by trying to suppress the independence of honest judges. It is a serious blow to the law-governed state and to the process of democratizing our justice system.

The PNTCD emphatically protests this abusive act which is the responsibility of Minister Petre Ninosu and the entire government.

[Signed] PNTCD leadership.

President Corneliu Coposu

Foreign Media Bulletin: Balkan Crisis 22 July

WA2207164793

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian President Izetbegovic expected to participate in Geneva peace talks ... Heavy shelling reported around Sarajevo ... UNPROFOR threatens to cut off aid unless detained French aid worker is released by Muslim forces ... Croatia announces strict limits on entrance of Muslim refugees from Bosnia ... Kosovo Albanian leader Rugova suggests local Albanians may urge unification with Albania ... FRY takes steps in effort to control hyperinflation.

DIPLOMATIC

IZETBEGOVIC EXPECTED TO PARTICIPATE (TANJUG, Paris TV, AFP): Belgian Foreign Minister Claes, who is heading an EC peace mission to the Balkans, says he has "obtained assurances" that Bosnian President Izetbegovic will end his boycott of peace talks in Geneva on 23 July. Izetbegovic says fighting "must stop" before he attends the talks. UNPROFOR spokesman announces Bosnian Serb leader Karadzic has agreed to "order a pause" in Serbian attacks on Sarajevo and Izetbegovic has pledged to halt Muslim military operations in central Bosnia. (LD2107221393, LD2107202393, AU2107180093

MILITARY

HEAVY FIGHTING AROUND SARAJEVO (Sarajevo Radio, TANJUG): Sarajevo Radio reports Serbian shelling of Sarajevo "from practically every artillery position" despite pledge from Bosnian Serb leader Karadzic to cease fire in city. Bosnian Serb forces say they are "not attacking" and have "no intention" of attacking Sarajevo, claim that it is the Muslim forces that are on the offensive in the region. (AU2207084493, LD2107152093)

HUMANITARIAN

RELIEF AGENCIES SUSPEND DELIVERIES (AFP): International relief agencies suspend aid deliveries to Muslims on Mount Igman until a French aid worker captured by Muslim forces is released. Muslim forces have been resisting a Bosnian Serb assault on the hill, which overlooks Sarajevo. (AU2207113193)

CROATS TIGHTEN CONTROLS ON REFUGEES (AFP): Responding to accusations that it is aiding an "ethnic cleansing" campaign by removing Muslims from Bosnia to resettle them in other countries, the Croatian Government announces tight controls on entry of all Muslim refugees into the country. Only refugees seeking to join relatives in Croatia or third countries will be accepted. (AU2207132893)

POLITICAL

RUGOVA ON UNIFICATION WITH ALBANIA (Vienna KURIER): Saying that "three years of pacifist resistance have not achieved anything," Kosovo Albanian leader Rugova declares he may demand "unification" with Albania if the West allows Bosnia to be split into three ethnic states. (AU2207080593)

FRY ATTEMPTS TO CURB HYPERINFLATION (TANJUG, Belgrade Radio): FRY Government announces steps to curb hyperinflation, including devaluation of the dinar to 13.6 million per dollar and the freezing of savings accounts and foreign exchange operations. The dinar was traded at 15,000 dinars per dollar before Yugoslavia's breakup in 1991. (LD2207133493, LD2107182793)

INFLATION THREATENS FRY MEDIA (Belgrade TV): Federal Information Ministry announces that inflation is "threatening to halt" publication of the domestic press and to "significantly restrict" radio and television programming and the work of TANJUG press agency. (AU2107194293)

Geneva Negotiations Could Resume 23 July

AU2207110493 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 22 Jul 93

[Text] Our special correspondent Dragan Colovic reports from Geneva on the eve of the continuation of negotiations on the former Bosnia-Herzegovina.

[Begin Colovic recording] The news that Alija Izetbegovic has agreed to attend the continuation of the negotiations was accepted with a certain degree of relief in the Palace of Nations in Geneva, although this still hasn't been definitely confirmed. It seems that the United States played a decisive role in this.

By stipulating conditions and expanding them from day to day, Alija Izetbegovic employed tactics, all the while waiting to see what the United States would do or say. Quite obviously, at the moment, it opted for giving priority to the peace process. The latest statements by U.S. President Clinton and Secretary of State Christopher have been given quite a lot of publicity here. These statements make it clear to the [word indistinct] European allies that the United States would support any agreement reached by the three sides under the auspices of the United Nations. Moreover, the United States has pledged that it would help implement it.

We have learned from sources close to the cochairmen of the international conference that the president of Serbia, Slobodan Milosevic; the president of Croatia, Franjo Tudjman; the president of Montenegro, Momir Bulatovic; and the representatives of Bosnian Serbs, Croats, and Muslims, Radovan Karadzic, Mate Boban, and Alija Izetbegovic, could begin negotiations with the cochairmen of the international conference on Yugoslavia, David Owen and Thorvald Stoltenberg, tomorrow after 1200 [1000 GMT]. [end recording]

Presidency: 'Conditions Not Yet Created'

LD2107212293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 21 Jul 93

[Text] The Presidency of Bosnia-Herzegovina held a session this afternoon which reviewed the current military and humanitarian situation in the country. The Presidency was briefed on the latest movements of the aggressor's forces and the offensive operations they are carrying out from various directions. It was concluded in this context that conditions have not yet been created for taking part in the continuation of the Geneva negotiations. The Presidency session will resume tomorrow.

Izetbegovic Seeking Guarantees

LD2107202393 Paris France-2 Television Network in French 1800 GMT 21 Jul 93

[Video report from Bosnia-Herzegovina by unidentified correspondent, including recordings of remarks by Belgian Foreign Minister Willy Claes and Bosnia-Herzegovina President Alija Izetbegovic; Izetbegovic in Serbo-Croatian with superimposed French translation]

[Excerpts] [Announcer] The Bosnian Serbs deny launching an attack against Sarajevo, but the fighting continues.

[Correspondent] [passage omitted] Coincidence, or a demonstration of force by the Serbs, but it was at the very moment when the Belgian minister of foreign affairs, the special EC envoy, was arriving in Sarajevo, that the drama happened.

[Claes] Listen, we will not let ourselves be provoked. What we need now is to create conditions which would allow the resumption of the negotiations leading to peace, which would include guarantees of practicality to the various parties involved. We will not let ourselves be provoked.

[Correspondent] Willy Claes positively must convince Alija Izetbegovic to go to Geneva. This is one of the essential elements of future negotiations. However, the Bosnian president has been hesitating for the past four days. As usual, he is setting certain conditions and requesting guarantees.

[Izetbegovic] Europeans insist on continuing the negotiations. We agree, but on certain conditions. Fighting must stop before the Geneva talks, and the situation with regard to food and medicines must be improved in Sarajevo, Maglaj, and Gorazde.

[Correspondent] Although the Serb offensive on Mt. Igman seems to be marking time and the Bosnian Army is consolidating its positions, Alija Izetbegovic hesitates to leave his capital. One must say that he is in a difficult position, having Serb provocations on the one side and his own hardliners on the other. A few minutes ago he decided to go to Geneva if the Serbs stop fighting. In a way, this is a method for the Bosnians to put the responsibility for any failure on others. [Video shows victims of latest attack on Sarajevo; Claes, Izetbegovic talking to reporters]

Claes Offers Guarantees if Agreement Reached

AU2107194393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 21 Jul 93

[Text] [Passage indistinct] of the Bosnia-Herzegovina authorities received the president of the EC Council, Belgian Foreign Minister Mr. Willy Claes, today. Senada Cumurovic reports:

[Begin recording] [Cumurovic] As Willy Claes said, he brought the EC's message of friendship to President Izetbegovic, which is the following:

[Claes in French, fading into superimposed Cumurovic translation into Serbo-Croatian] The EC (?believes) it is necessary for the talks in Geneva (?to commence). (?It goes without saying) that the EC is not exerting any pressure or proposing any special plan. However, we are willing to support any agreement, Mr. Claes said, within the framework of the London conference [words indistinct] of the agreements will be (?realized).

If this agreement is reached, the EC is willing to assume the responsibility for its implementation. Mr. Izetbegovic pleased me by saying that he hoped the Bosnia-Herzegovina delegation would (?soon approach) the negotiating table.

[Cumurovic] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, [word indistinct] about this meeting and the talks:

[Izetbegovic] As you see, the EC insists, or should we say, advises us [words indistinct] that the negotiations continue as soon as possible. They are of the opinion that this is the only way to end the war in Bosnia-Herzegovina.

[Cumurovic] As is known, and as Mr. Izetbegovic reiterated to Willy Claes, Belgian foreign minister and chairman of the EC Council, two conditions must be fulfilled in order to attend the talks in Geneva—the end of hostilities and improvement of the humanitarian situation, not only in Sarajevo, but also in Gorazde, Maglaj, and other towns in Bosnia-Herzegovina.

[Izetbegovic] For this reason I said to Mr. Claes that we will continue to strive (?to attend) these negotiations that give some hope [word indistinct] as quickly as possible, but that in the current situation, we cannot [words indistinct] to negotiate. We were glad to hear the rather resolute statement about EC guarantees if an agreement is reached.

In this respect, we anticipate with great interest (?this evening's) statement by (?Mr. Christopher), who [words indistinct] Bosnia-Herzegovina. Through our diplomatic channels we will also examine to what extent America is willing to stand behind the possible (?future) agreement [words indistinct] statements by Mr. Christopher [words indistinct].

[Cumurovic] [Word indistinct] on a multiethnic community as well as Bosnia-Herzegovina and the ways to resolve the ethnic issue were discussed:

[Izetbegovic] [Words indistinct] resolving their problems in long talks that lasted for year. [Words indistinct] were also changed on several occasions and so forth, but [words indistinct].

[Cumurovic] The earlier Bosnia-Herzegovina request (?for equal) [word indistinct] in whose work the representatives of [words indistinct] of Bosnia-Herzegovina would talk part [words indistinct] at the negotiations in Geneva was repeated today. Mr. Willy Claes promised to send [words indistinct] lawyers who would help to find a solution for Bosnia-Herzegovina.

[Words indistinct] diplomatic and consular relations between Belgium and Bosnia-Herzegovina have been established today. [end recording]

Claes Believes Izetbegovic Will Attend

AU2107172693 Paris AFP in English 1710 GMT 21 Jul 93

[Excerpts] Sarajevo, July 21 (AFP)—Bosnian President Alija Izetbegovic promised Belgian Foreign Minister Willy Claes Wednesday that he would "strive" to attend weekend talks in Geneva on dividing Bosnia-Herzegovina. [passage omitted]

The Belgian minister flew into Sarajevo airport wearing a white flak jacket as Serb forces attacked the overlooking Mount Igman, in what Izetbegovic warned Tuesday could be a prelude to a general offensive against the capital.

Claes, whose country is current chairman of the European Community, met with the Moslem president for more than an hour in the shell-battered presidential building in the centre of Sarajevo, which has been under siege by Serb gunners for more than 15 months. [passage omitted]

Izetbegovic, who appealed Tuesday for international intervention to halt the Serb offensive on Igman, earlier said no Bosnian delegation would go to the talks unless the fighting stopped and the Serbs turned the capital's electricity and water back on.

Claes said he understood the president's reasons for setting conditions, and that the the E.C., which is co-sponsoring the Geneva talks along with the United Nations, was willing to do everything possible to help.

If an agreement is reached in Geneva, he said, "the community is ready to play its part" in guaranteeing safeguards.

Asked if he believed the president would indeed attend the talks, he replied: "I believe so."

Izetbegovic, for his part, said: "I told Mr. Claes we would strive to attend these negotiations, which offer some hope, but that with the situation as it is at the moment, it is not possible for us to leave the country and go to the talks."

The guns were quiet on Igman during the morning, but resumed early in the afternoon, echoing through the city.

The Serbs are attacking with tanks, but the Bosnians, who have artillery pieces on the mountain, are well dug in. Both sides are claiming gains. [passage omitted]

Claes, who was leaving Sarajevo for talks with Serbian leaders in Belgrade, asked Croatian President Franjo Tudjman in Zagreb on Tuesday to "put pressure" on the Bosnian Croats to stop fighting in central and southern Bosnia.

"If we cannot find a a peaceful solution, some formulas which have not been accepted by the E.C. until today, could be accepted finally," the Belgian minister told reporters in the Croatian capital.

Izetbegovic, Karadzic Pledge To Halt Fighting

AU2107180093 Paris AFP in English 1751 GMT 21 Jul 93

[Text] Geneva, July 21 (AFP)—Bosnian Government and Serb leaders pledged to order an end to offensive operations by their troops, opening the way for a resumption of negotiations here Friday [23 July] on the future of Bosnia-Herzegovina, a spokesman for the Yugoslavia peace conference announced Wednesday.

Bosnian Serb leader Radovan Karadzic "has given an undertaking to order a pause in the offensive around Sarajevo," said spokesman John Mills.

Bosia's Moslem president, Alija Izetbegovic, in turn pledged to order a halt to his troops' operations in central Bosnia, he said.

French Aid Worker Captured; Relief Suspended

AU2207113193 Paris AFP in English 1119 GMT 22 Jul 93

[Text] Sarajevo, July 22 (AFP)—French aid workers Thursday reported one of their number captured by a renegade Bosnian army commander on Mount Igman, where a battle is raging between Serb forces and troops of the mainly Moslem Bosnian army.

International relief agencies have cancelled all deliveries to settlements on the mountain until he is released, said Peter Kessler, spokesman for the U.N. High Commissioner for Refugees.

The 28-year-old Parisian, a member of the aid group Solidarite which works with the UNHCR, last made contact by radio on July 16.

Solidarite member Annick Jeantet told AFP that it had been learned since July 16 that her bespectacled coworker, a single man, was captured by a Moslem commander known as "Zuka" who is described as operating "independently."

The young Frenchman was captured in his Toyota pick-up as he delivered relief supplies to civilians on the mountain.

Some 7,000 to 10,000 troops of the mainly Moslem Bosnian army are defending the peak against a tank-backed assault by Serb forces which President Alija Izetbegovic warned Tuesday could be a prelude to an invasion of Sarajevo.

The man, whose name was not released Thursday, is being held in the Mrazisti Hotel, once a luxurious ski resort, but now a battered barracks for Zuka's troops, Kessler and Jeantet said.

He has a Croatian mother and speaks fluent Serbo-Croat, Jeantet said.

Kessler described Solidarite as "a very important part of our network," and said the French government had been informed of the aid worker's detention.

Convoys with relief supplies for the mountain settlements which drop off their aid in suburbs at the foot of the mountain, which looms over Sarajevo airport, "are on hold until he is released," Kessler said.

EC Minister Claes Arrives for Talks in Sarajevo

LD2107123593 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 21 Jul 93

[Excerpts] Willy Claes, Belgian foreign minister and chairman of the EC Ministerial Council, has arrived on a visit to Sarajevo today. He will first hold talks with General Briquemont, the main UNPROFOR [UN Protection Force] commander in Bosnia-Herzegovina, and officers from the peace forces' main headquarters. He is expected to go to the presidency around 1500, where he will hold talks with President Izetbegovic and other top state leaders. Minister Claes is scheduled to leave Sarajevo around 1700 following the talks. [passage omitted]

The First Corps of the Bosnia-Herzegovina Army has resolutely denied the piece of information released by UNPROFOR yesterday that the former commander of the First Corps, Mustafa Hajrulahovic, and Serb Gen. Mladic held a secret meeting yesterday. [UNPROFOR spokesman] Major Frewer said today in response that he knew nothing about the meeting and expressed regret if UNPROFOR had misinformed the public. [passage omitted]

Peace Efforts Continuing

AU2107133393 Paris AFP in English 1258 GMT 21 Jul 93

[Article by Hugh Nevill]

[Text] Sarajevo, July 21 (AFP)—Belgian Foreign Minister Willy Claes flew into besieged Sarajevo Wednesday in a last-ditch effort to persuade President Alija Izetbegovic to attend peace talks in Geneva.

Meanwhile, the leaders of Bosnia's warring factions have been invited to join the presidents of Croatia and rump Yugoslavia in Geneva from the weekend for open-ended negotiations intended to last until a peace settlement is reached. The invitation was extended by the co-chairmen of the international peace conference on former Yugoslavia, Lord Owen and Thorvald Stoltenberg.

And in Rome, Pope John Paul II issued a new appeal to all parties to "stop the fighting."

Claes arrived here—wearing a white flak jacket—as Serb forces attacked Mount Igman, overlooking the airport, in what Izetbegovic had warned Tuesday could be a prelude to a general offensive against the capital.

U.N. spokesmen meanwhile reported desperate fighting on many fronts, most relief convoys blocked, and "ethnic cleansing" continuing.

Izetbegovic boycotted earlier rounds of the talks in Geneva, where the Serb and Croat separatists who control 90 percent of Bosnian territory are demanding that the country be carved up into a loose confederation of ethnically based mini-states.

The ethnically mixed Bosnian presidency, which is proposing a federal structure with a stronger central government, met in Sarajevo Wednesday morning to decide on which members would go to Geneva, probably leaving Thursday. They were to resume their meeting later in the afternoon.

Izetbegovic, who appealed Tuesday for international intervention to halt a possible Serb all-out offensive on the capital, earlier said no Bosnian delegation would go to the talks unless the fighting stopped and the Serbs turned the capital's electricity and water back on.

The guns were quiet on Igman during the morning, but resumed early in the afternoon, echoing through the city.

The Serbs were attacking with tanks, but the Bosnians, who have artillery pieces on the mountain, are well dug in. Both sides have reported some gains.

Claes asked President Franjo Tudjman in Zagreb on Tuesday to "put pressure" on the Bosnian Croats to stop fighting.

Claes, speaking on behalf of the European Community as Belgium currently holds the E.C. presidency, said: "If we cannot find a peaceful solution, some formulas which have been accepted by the E.C. until today, could be accepted finally."

In Washington, a spokesman said the United States was deeply troubled by the renewed attacks on Sarajevo but planned no new steps at the United Nations.

"Clearly, the fighting around Sarajevo presents a very difficult situation, something that the United States is deeply troubled by," said State Department spokesman Michael McCurry.

In Sarajevo, U.N. Protection Force (UNPROFOR) spokesman Barry Frewer said the Serb forces were refusing to allow UNPROFOR observers to set up observation posts on the mountain, claiming it was for their own safety.

He reported fighting between Bosnian army and Croat troops continuing round the central Bosnian town of Gornji-Vakuf, saying it had forced British troops there to take to their shelters for two hours. British soldiers in a Warrior armoured vehicle extracted a woman from the rubble of a collapsed building, he said.

Frewer described the situation in the southern city of Mostar, divided between Moslems and Croats, as "very critical" with fighting continuing and food, water and medical supplies running short on the Moslem side. He reported heavy fighting continuing of a number of other fronts throughout the country.

'Full-Scale' Artillery Battle Reported From Sarajevo

AU2207093293 Paris AFP in English 0904 GMT 22 Jul 93

[Text] Sarajevo, July 22 (AFP)—A full-scale artillery battle erupted in Sarajevo Thursday on the eve of peace talks in Geneva.

Thick columns of smoke swirled up from a Bosnian Serb settlement in the southwest of Sarajevo as the besieged city echoed to the crash of incoming and outgoing artillery, tank and mortar fire.

U.N. observers counted more than 100 incoming Serb shells between 6:00 a.m. and 9:00 a.m. (0400 GMT and 0700 GMT), U.N. Protection Force spokesman Barry Frewer reported.

They had no count of outgoing shells fired by the mainly Moslem Bosnian army, but the battle was still raging at 11:00 a.m.

Residential Areas Pounded

AU2207084493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 22 Jul 93

[Edin Kukavica report from Sarajevo]

[Text] Since the early morning hours Sarajevo proper has been exposed to heavy artillery fire from practically every artillery position of the aggressor. Since 0700 [0500 GMT] 105-mm howitzers and a 122-mm self-propelled [samohodka] from Glagovac have been pounding residential areas unselectively. From Nahorevska Brda, an enemy howitzer and tank are firing at Kosevo and Kosevo Brdo, which are also under fire from howitzers from Crepoljsko, while howitzers from Osmice on Mount Trebevic are shelling the city center. The enemy is using a multiple rocket launcher from Vidikovac and a tank from (?Kula Grad) against the communes of Centar and Stari Grad. Artillery pieces from Lukavica and Poljine are pounding the wider region of Jezera, the Traffic School [saobracajni fakultet], and Sokolje.

According to the information recently received from the ground, the situation is similar on the Mt. Igman front. All the defense lines are under heavy and intensive artillery fire, without any particular direction bearing the brunt of the offensive. Apart from using the artillery, the enemy is firing from his front lines against the front line of the defense with all available small arms and antiaircraft weapons. All the Bosnia-Herzegovina Army units are completely prepared to respond to any attempt at an infantry or any other kind of an attack.

We are warning the citizens of Sarajevo to expect a similar situation throughout the day, so they should not go out into the streets unless absolutely necessary.

This is Edin Kukavica reporting from the First Corps Information Service.

'Unusually Intense' Shelling

AU2207063693 Paris AFP in English 0608 GMT 22 Jul 93

[Excerpt] Sarajevo, July 22 (AFP)—The echoing crash of outgoing artillery shells rolled round Sarajevo early Thursday ahead of peace talks in Geneva.

The shooting, from the mainly Moslem Bosnian army, was coming from the western end of the city.

No incoming shells from the Serb gunners on surrounding mountains could be heard—but most of those guns have been retrained on the Bosnian army stronghold of Mount Igman, above the airport in a transverse valley to the west.

The steady shelling—unusually intense for an army desperately short of ammunition—came after a spokesman for international mediators in Geneva announced that President Alija Izetbegovic had agreed in a telephone call to attend talks there opening Friday on carving Bosnia-Herzergovina up among Serbs, Croats and Moslems.

The collective Bosnian presidency was due to meet in Sarajevo later in the day to finalise its position. [passage omitted]

Muslims Attack on Sarajevo, Bihac Battle Fronts

LD2107222893 Belgrade TANJUG in English 2212 GMT 21 Jul 93

[Text] Belgrade, July 21 (TANJUG)—Muslim forces executed Wednesday continuing attacks on the positions of the Serb army at the Sarajevo and Bihac battle fronts in the former Yugoslav republic of Bosnia-Herzegovina.

In the Sarajevo area, Muslim artillery fired from Mojmilo Brdo and Svrakino Selo on the Serb section of Dobrinja, while Muslim units attempted a breakthrough in the area of the settlement of Sucuri, near Lukavica, in the afternoon hours. The Serb army repelled the assault without suffering losses, the Bosnian Serbs news agency SRNA reported.

The Muslim forces in Cazinska Krajina region (western Bosnia-Herzegovina) continued violating ceasefire along the entire front line on the Bihac battle front, which is 80 kilometers long, the Bosnian Serb military sources said.

According to these sources, Serb fighters repulsed the attacks without sustaining any losses.

A civil war between local Muslims, Croats and Serbs raged in Bosnia-Herzegovina over the past 16 months since this republic seceded from the former Yugoslav federation.

Bosnian Croats and Serbs urged partition of Bosnia-Herzegovina into three confederal units along ethnic principle, while Bosnian Muslims fought for a unitary state which they would dominate.

Srpska Army Denies Intentions To Attack Sarajevo

LD2107152093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1304 GMT 21 Jul 93

[Text] Belgrade, 21 Jul (TANJUG)—The army of the republic of Srpska "is not attacking Sarajevo and has no such intentions," the information service of the main headquarters of the Srpska republic army asserted today.

The army spokesman told TANJUG over the telephone that fighting is in progress on the southern slopes of Mt. Igman, in the direction of Trnovo—which has been under Serb control since the middle of last week. Combat operations are now under way some 30 km south of downtown Sarajevo.

Bosnian Muslim leader Alija Izetbegovic called on the international community last night to intervene immediately and, as he said, to "thwart the Serb offensive on the outskirts of Sarajevo."

However, the Srpska army spokesman stressed that the Muslims have launched a counteroffensive with the aim of reestablishing their control in this direction, especially toward Trnovo. The same source recalled that the Muslims had embarked on a strong offensive some 20 days ago via Trnovo—an important Muslim stronghold at the time—in order to link up the regions of Gorazde, Zepa, and Srebrenica and to incorporate them into a single territory. These three towns, together with Sarajevo, Bihac, and Tuzla, have been designated as safe havens by a UN Security Council resolution.

"We liberated the area around Trnovo in this imposed counteroffensive" but, the information service of the main headquarters of the Srpska republic army pointed out, "despite their defeat at Trnovo, the Muslims continued their attacks on Serb-held positions." The spokesman also stressed that the liberation of the area around Trnovo at the same time restored "the severed links between eastern Herzegovina and the Sarajevo-Romanija plateau"—between Serb-populated regions.

The Muslims, according to Srpska army estimates, now have some 10,000 troops on Mt. Igman, the strategically important mountain southeast of Sarajevo. They have received reinforcements from Hrasnica—a village at the foothills of this mountain—from Konjic, and from Sarajevo.

The reinforcements from Sarajevo have been brought in under cover of the night, via the UNPROFOR [UN

Protection Force]-controlled airport, the information service of the main headquarters of the Srpska republic army claims. They also said that "forces so extreme they could not even survive in Sarajevo" are currently concentrated on Mt. Igman.

According to articles in the Turkish press, there is also a unit that includes 1,200 mojahedin—Islamic fighters from Iran, Afghanistan, Pakistan, and the Arab countries—on Mt. Igman.

Whoever controls Mt. Igman (alt. 1,504 meters), the main headquarters of the Srpska republic army recalled, can easily threaten enemy positions in the Sarajevo, Hadzic, and Trnovo valleys.

Serbs Fire Volkov S-65 Missiles at Brcko

AU2207115993

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 22 July carries in its regular 21-minute newscast several reports on the fighting in the Republic.

Describing the situation in Sarajevo, Edin Kukavica from the Bosnia-Herzegovina Army First Corps Information Service says that "as we might have guessed, this morning's intensive shelling of the first defense lines of the city was only an artillery preparation for an attempt at an infantry breakthrough. According to the information from the ground, the attack was carried out in the region of Golo Brdo on Zuc, and was successfully repelled. Our units are ready for any further attempts, and the stability of our lines is not in any danger." The report says that "our positions in Ugorsko, Hotonj, Barice, Jezero, and the free territory of Kobilja Glava are still under intense artillery fire. All the enemy artillery strongholds in Blagovac, Brda, Poljine, Nahorevina, [word indistinct] are still very active. They have even activated the artillery nests that they have been using very infrequently so far, for example the ones in the villages of Petrovici and (?Idovici) on Mt. Trebevic. The artillery attacks on the city itself have somewhat abated, but that does not mean that there will not be any more of them during the day. The citizens are again asked not to leave their flats without great necessity."

Mustafa Kurtovic reports from Gorazde that "last night the aggressor launched one of the most massive offensives on the free Gorazde territory, using tanks, mortars of all calibers, howitzers, Bofors, antiaircraft guns and machine guns with incendiary ammunition. Dozens of houses have been set on fire and destroyed, and two civilians killed and 12 severely wounded. This morning the Serbian-Montenegrin aggressor attempted a combined artillery- infantry breakthrough from the valley of [word indistinct] against our defense lines, but this attack was repelled. The situation is extremely dramatic even as we report but, since the aggressor is keeping all the streets under constant fire with antiaircraft guns and machine guns, we have no precise information about casualties."

In his report from Brcko, Hamiz Deronjic says that "since 0600 [0400 GMT] this morning the Serbian genocidal mentality has excelled itself in creating an inferno on this front. They have been firing Volkov S-65 surface-to-surface missiles at the densely populated residential areas on the Brcko free territory, on top of the usual howitzer and tank shells. This frenzied treatment of an unarmed population is a direct result of the reluctance of the international community, which has denied the Bosnia-Herzegovina citizens the right to self-defense in their own, internationally recognized state. However, all the state-of-the-art arms are regularly being supplied to the occupying forces across the eastern border of our country. The Volkov S-65 surface-to-surface missiles have recently been supplied from Russia and arrived in the hands of the chetniks in Bosnia-Herzegovina through Serbia." He says that "the aggressor is again regrouping on the front. At about 2300 last night, a long convoy of heavy trucks full of chetniks and equipment arrived at (?Sekulici). During the night the aggressor conducted an intense concentration of men and equipment at the central part of the front."

The Gradacac Information center reports that "the criminals from Serbia, Montenegro, Krajina, and the local chetniks are continuing their bloody game on this front. The rainy morning has been marked by artillery activities. At the moment, howitzers from Skugric are pounding Lukavac."

The Third Operative Group Information Service reports from Kladanj that "this cold and rainy morning is marked by sporadic enemy provocative small arms fire."

The Bosnia-Herzegovina Army Information center in Bugojno reports that "unlike yesterday, when hundreds of projectiles were fired at the town by the united aggressors, this morning is somewhat quieter here. There is some sporadic fire but that is a sign that the process is underway of eliminating smaller enemy nests. During the four-day battle for the liberation of Bugojno, the Bosnia- Herzegovina Army units, the military police, and the Ministry of Internal Affairs units have shown a very good degree of efficiency, as have the bodies that organized the citizens in districts, streets, and blocks of flats."

Reporting from Bihac, Mehmedalija Zulic says that "the night and this morning have been somewhat quieter than during the previous days, with the usual chetnik provocative small arms fire and the shelling of the front defense lines."

Salih Brkic reports from Tuzla that "during the last 24 hours the Serbian-Montenegrin army of occupation and the chetniks launched one of the fiercest attacks on the Second Corps units in the Bosnian Posavina. Tanks and transporters supported the infantry, but the iron defense of this region repelled the attack last night, inflicting great losses on the aggressor in men and equipment. Elsewhere, Tesanj came under howitzer fire overnight, while in Kalesija, the enemy was the most aggressive

against Teocak. As for Gracanica, Banovici, and Mount Majevica fronts, there was only sporadic chetnik small arms fire."

Attacks Supported by Aircraft

AU2107191193

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT 21 July reports the following on the combat situation in the Republic:

Hamiz Deronjic reports from Brcko that "according to the complete reports from the field, which we could not obtain earlier because of the fierce combat, a [word indistinct] Galeb combat aircraft strafed the positions of Brcko's defenders in the central part of the front early this morning." He continues, "this explains this morning's chetnik attack." Deronjic reports that fierce attacks of "chetnik" tanks and infantry at Bajici, Licki Most, Rijeke, Omerbegovca, Brod, and Suljagica Sokak were successfully resisted.

A dispatch by a correspondent from Gornji Vakuf, whose name is indistinct, reports that "Croatian Defense Council [HVO] formations also pounded the Gornji Vakuf commune with artillery today." As he says, "the two small villages of (?Prikoci and Seterovici) have been targeted." He claims that although "shelling was reported from the center of Gornji Vakuf, small arms fire has diminished" there. The correspondent ascribes this to the fact that "approximately 150 HVO fighters" have been transferred from Gornji Vakuf to assist HVO units on the Bugojno front.

The studio announcer then reports that "units of the Bosnia-Herzegovina Army today crushed the final resistance of the HVO stronghold in Bugojno."

A correspondent from Bugojno reports that "the (?barracks) of the 1st, 2d, 3d [HVO] brigades have fallen." "Attempts to make the HVO fighters surrender failed," the correspondent goes on, therefore, several of them "were captured and liquidated" in a "strong attack by our forces." "All our forces are currently clearing the ground and mopping up the remaining minor strongholds," the correspondent says. "During the final operations against the HVO, the town of Bugojno was fiercely shelled from chetnik strongholds," the correspondent reports, adding that several civilians were injured in this attack.

'Chetniks' Fire Missile at NATO Plane

AU2107145293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 21 July carries in its regular 30-minute newscast several reports on the fighting in the Republic.

In his report from Brcko, Hamiz Deronjic says that "the chetniks have been launching waves of tank and infantry attacks against the defensive positions in several directions. The aggressor was first repelled from Suljagic Sokak and Brod, then from (?Visanovici) and Bajici, and in the region (?Vranovaca) he was pushed back to his initial positions. Now he is attacking Rijeke. The chetniks are suffering great losses in men and equipment in their insane onslaughts on Brcko's defenses. Four of the enemy's armor [not further specified] have been destroyed, while one tank and a transporter have been damaged beyond repair. The tremendous pounding of the free territory is claiming more innocent lives and three more people have been killed since we last reported." He says that "at 0445 [0245 GMT] this morning the chetniks fired a guided ground-to-air missile at a NATO plane over Brcko."

Reporting from Maglaj, Hajrudin Sermic says that "since 1300, mortar batteries have been pounding civilian targets in the town and the positions of our fighters. The defense lines remain stable, but the situation with food, medicine, sanitary material is critical."

The studio announcer cited the Bosnia-Herzegovina Army Press Center that "even though it has been proclaimed a safe haven by the United Nations, Gorazde is constantly under attack by heavy artillery projectiles and units of the Drina Corps, Visegrad Brigade, and Rogatica-Foca Brigade of the so-called Serbian army, and the so-called Yugoslav Army from Kraljevo and Pljevlja. They have been strengthened by groups of mercenaries from Russia and Romania. [word indistinct] 40 armored transporters, 31 tanks, 12 Pragas, and a large number of artillery pieces."

Edhem Badzak reports from Konjic that "the attacks are continuing, but what brings us joy are the successes of the Bosnia-Herzegovina Army Sixth Corps and the Ministry of Internal Affairs units in the counteroffensive that they launched against the ustasha-chetnik forces. And as always when they are losing, they retaliate by trying to destroy everything within reach of their artillery, using all means for mass destruction."

The Mostar Press Center reports that "the situation in the eastern part of Mostar under the control of the HVO is dramatic. Food and medicine have run out, while drinking water is distributed in teaspoonfuls in the hellish Mostar temperature of some 40 degrees centigrade. All appeals for aid that have been issued for over 80 days have been to no avail." The report says that "some 7,000 people are being held in camps in the area of Capljina alone, and another several thousand civilians are being held in the helidrome camp near Mostar. [Croatian] Mostar radio daily carries instructions on how to leave the part of the city under the HVO control and go abroad. That is of course aimed at the Muslims as part of the HVO ethnic cleansing campaign."

An unidentified correspondent reports from Hadzici that "late last night the chetniks again used multiple rocket launchers from their positions in Ciglane in the temporarily occupied Rakovica against the villages of

(?Pazarici) and [word indistinct]. At the same time the aggressor used tanks and 155-mm howitzers from (?Banj Brdo) against the defenses on the southern and central parts of the Hadzici front."

The Bosnia-Herzegovina Army First Corps Press Center reports that "the entire situation on the Mt. Igman front is under the total control of the Bosnia-Herzegovina Army, and conditions have been created for effective and prompt counterattacks along the entire front line. Golo Brdo can almost be regarded as ours now, and clashes are still under way. We hold the initiative." The report says that "the morale of the fighters of the Bosnia-Herzegovina Army is very high, particularly as we have turned the military initiative to our advantage. The united forces of the Operative Group Igman and the units under the control of Fikret Prevljak have created a perfectly realistic basis for the recapture of the occupied territories."

HVO, Muslim Forces Continue Battle in Bugojno

LD2207085293 Zagreb Radio Croatia Network in English 0805 GMT 22 Jul 93

[Text] The fierce battle between Muslim forces and the Croatian Defense Council [HVO] in Bugojno continues. Fighting is reported in the town center and almost all the suburbs.

Muslim Army Crushes HVO

LD2107211493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 21 Jul 93

[Excerpt] Units of the Bosnia-Herzegovina Army today crushed the last defenses of the Croat Defense Council [HVO] units in Bugojno.

[Reporter] The last strongholds of Croatian fighters, the barracks housing the 1st, 2d and 3d battalions, have fallen. Attempts to talk the HVO fighters into surrender failed. Our units then launched a heavy attack, seizing a considerable amount of military equipment and capturing and liquidating a number of fighters. [passage omitted]

Muslim Offensive Continues

LD2107171993 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 21 Jul 93

[Report from Bugojno by Vesna Koric]

[Text] A strong Muslim offensive on Croat-populated regions and the Croat Defense Council [HVO] in and around Bugojno is now in its third day. Besides being attacked by Muslim units from Bugojno, Donji Vakuf, Jajce, Sipovo, and Travnik, the Bugojno Croats are also being besieged by the 7th Muslim Mujahedin Brigade.

Descending in full force and occupying the Croat-populated settlement of Gaj, the Muslim army has also managed to enter the village of Zlavac and take a large number of civilians prisoner.

Following ferocious clashes in the settlement of Vrbanja, the HVO last night succeeded in neutralizing this almost impregnable Muslim stronghold and, in this way, restoring communications between parts of Croat-populated territories.

Heavy fighting continues today in the very center of Bugojno, where employees of the police station have been offering heroic resistance from the completely surrounded building of the Ljubljana Bank for several days now.

Extensive combat operations continued today in the settlements of Vesela, Kamdija, Gorusa, Garacici, Mandalac, Jasika, Cipuljic, Novo Naselje, Udurlije, Boganovci, Kula, Bristovi, Vucipolje, and elsewhere.

The UN Protection Force attempt to broker an eight-hour truce today did not produce any results. Although the Muslim side accepted such an agreement yesterday, it backed off today, leaving many dead and wounded still lying in the streets. The Muslim side has declared the cease-fire conditional on a Croat pullout from Bugojno.

HVO Troops Kill Muslim Forces South of Mostar

LD2207084693 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 22 Jul 93

[Text] Last night, on the Mostar battlefield, the Muslim Army attempted to break through the lines of defense held by Croatian Defense Council [HVO] forces to the south of Mostar. In the course of these attacks, which were repelled by the HVO fighters, several Muslim soldiers were killed and wounded. In the town itself, Muslim soldiers set alight several apartment blocks with the use of incendiary bullets.

Early this morning the HVO fighters hit and destroyed the emplacements in Ricina Street constructed by Croatian civilians, who were forced to do so by Muslim forces, who then used the civilians as a human shield.

Muslim Forces Target Novi Travnik

LD2107183993 Zagreb HTV Television in Serbo-Croatian 1730 GMT 21 Jul 93

[Excerpts] It is still impossible to reach Bugojno. [passage omitted]

Muslim forces particularly targeted Novi Travnik today. Five civilians and one Croat Defense Council soldier were killed in an artillery attack. Vitez defense lines were also targeted. [passage omitted]

Launch Artillery Attack

LD2107142793 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Jul 93

[Excerpt] [passage omitted] The Muslim army has imprisoned a large number of civilians in the village of Zlavas.

Novi Travnik is also the target of increasingly intensive attacks. The Muslim army is pounding the town from its strongholds in Kula with mortars, howitzers, and tanks. Strong infantry attacks are in progress against Croatian Defense Council [HVO] defense lines in surrounding villages. Following fierce fighting, a Muslim attack in the Orlovo Polje area was repelled with considerable losses inflicted upon the attackers.

The usual sound of infantry arms fire can be heard in Mostar. There is no major fighting today. The Muslim army is again threatening to raise the water level in the lakes of the Salakovac and Mostar hydroelectric plants.

Muslim, Croat Fighting in Fojnica

LD2107173193 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatia 1600 GMT 21 Jul 93

[Report by Ankica Posavljak from Kiseljak]

[Excerpts] [passage omitted] Muslim forces from Dusina have attempted to break through toward parts of the Fojnica municipality held by the Croatian Defense Council [HVO]. From the town of Fojnica we received reports on new attacks on Croat houses and property that were being set on fire and looted. [passage omitted]

Over the last few days HVO reconnaissance units from Busovaca [Croat enclave north of Kiseljak] have registered flights by Muslim helicopters from the direction of Zenica toward the silo in Kacuni. It is presumed that the helicopters are being used to transfer manpower and military equipment needed to launch a new attack on the Busovaca municipality.

HVO Denies Obstructing Aid Convoys

LD2107172393 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 21 Jul 93

[Excerpts] We have just received a statement from the office for displaced persons and refugees of the Croatian Defense Council [HVO] of the Croatian Community of Herceg-Bosna. The statement reads:

In connection with a public address by the Muslim government in Sarajevo concerning the implementation of the Makarska agreement on the movement of convoys in the territory of Bosnia-Herzegovina, the office for displaced persons and refugees of the Croatian Defense Council [HVO] of the Croatian community of Herceg-Bosna has announced that the claims by the Muslim side are completely unfounded.

Namely, in its address the Muslim side passes all the blame for the slow implementation of the agreement to the HVO. They have failed to mention the most important facts. [passage omitted]

The mentioned course of events clearly shows that the convoys could not have left before the meeting in Split was held on 16 July. All accusations against the HVO are therefore unfounded, and the delay in departure is a consequence of slow action on the part of the Muslim side.

It is true that the Croatian side did not manage to provide the agreed number of vehicles, mainly because a large part of our fleet has been captured by Muslim units in central Bosnia. [passage omitted]

Considering everything mentioned above, we are surprised by the stand of the other signatory of the Makarska agreement. We believe that such a public address actually negates the intentions and implementation of the Makarska agreement. We are reiterating the readiness on the part of the HVO of Herceg-Bosna and of this office to consistently implement the Makarska agreement, because we are fully aware of the sad fact that delaying convoys harms equally the Croat nation in central Bosnia and the Muslim population throughout Bosnia-Herzegovina. This is said in the statement of the office for displaced persons and refugees of the HVO of the Croatian community of Herceg-Bosna.

Mladic: Serb Army Will Defend 'Every Inch' of Country

AU2107192693 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 21 Jul 93

[Marica Lalovic report from Sarajevo]

[Excerpt] The central districts of Sarajevo are quiet today. Only the occasional Muslim sniper is heard in Grbavica, Nedjarici, and Vogosca.

However, the intensity of the battle for Mt. Igman is not subsiding. The area in which the fiercest battles are fought is about 30 km from Sarajevo. After the Muslim offensive, with which they tried to link Trnovo, Gorazde, Zepa, and Srebrenica, and to which the Serbian fighters responded with a strong counteroffensive, liberating Trnovo, parts of Igman, Bjelasnica, and Treskavica, the Muslim formations are trying to regain at any cost the strategically important points they lost on this part of the Sarajevo front. According to estimates of the Serbian army, there are about 10,000 troops on Mt. Igman. Reinforcements are daily arriving from Hrasnica, Konjic, and Sarajevo itself. The transfer of troops from Sarajevo, via airport runway, has intensified. There are many mujahidin in the Muslim units. However, the Serbian fighters, aware of the importance of this mountain, from which Sarajevo, Trnovo, and Hadzici can be held under control, are not only resisting the enemy attacks, but are shifting many parts of the defense line further toward to mountain and the temporarily Muslim occupied territory with their counteroffensive actions.

General Ratko Mladic, commander of the army of the Srpska republic, today stated that his troops will soon cut through the Muslim forces in the battle for the strategically important points on Bjelasnica and Igman. He also said that the Serbian army is not attacking Sarajevo, nor

does it intend to do so, but that it will defend every place and every inch of its country that come under attack. [passage omitted]

Clashes Between Abdic, Izetbegovic Supporters Continue

LD2107204693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1933 GMT 21 Jul 93

[Text] Belgrade, 21 Jul (TANJUG)—Clashes between the supporters of Fikret Abdic and Alija Izetbegovic in the Cazin Krajina [Muslim enclave on northwest tip of Bosnia-Herzegovina] are continuing. One woman and two men were killed last night in the center of Bihac, near the city pavilion, because of their support for Abdic, SRNA reported today.

This is the second incident in Bihac lately that had tragic consequences, SRNA stated.

Srpska Assembly Approves 64 Percent of Budget for Army

LD2107200493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1857 GMT 21 Jul 93

[Text] Mrkonjic Grad, 21 Jul (TANJUG)—A two-day session of the Srpska National Assembly ended in Mrkonjic Grad late this afternoon with the adoption of the budget for this year.

The major portion of the budget (64 percent), approximately 1 billion German marks, has been allocated for the needs of the army.

The review of Deputy Voja Kupresanin's proposal on the founding of a public enterprise for the procurement and distribution of oil in the republic of Srpska has been put off until the next assembly session. His statement that "a powerful mafia is behind the oil trade" triggered off a lively debate which was the reason for the postponement of decisionmaking on all requests for the utilization of hard currency reserves.

Together with some 20 laws, the assembly today adopted a report on the work of the Payment Operations and Financial Control Service, as well as a decision on the founding of a secondary school for foreign trade in Bijeljina.

A session of the assembly deputies' club was held behind closed doors this evening.

UNPROFOR Apologizes for 'Totally Incorrect' Report

AU2107153693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 21 Jul 93

[Text] UNPROFOR spokesman Barry Frewer denied the statement issued by the Command of UN Peace Forces yesterday on the alleged meeting between the war criminal Ratko Mladic and the former commander of the First Corps. We apologize for (?wrongly) informing the public and issuing an obviously totally incorrect statement, Barry Frewer said today on behalf [words indistinct]. Barry Frewer gave no explanation today on how this serious and perhaps intentional disinformation happened.

Muslim Religious Leader Condemns Izetbegovic

93BA1237B Zagreb DANAS in Serbo-Croatian 2 Jul 93 pp 20-22

[Interview with Jakub Effendi Selimoski, recently deposed reis-ul-ulema for the former Yugoslavia, by Damir Jurisic; place and date not given: "Izetbegovic Has Ruined Us"]

[Text] *As long as Muslims and Croats are fighting each other, there is nothing good to hope for. The political leadership in Bosnia-Herzegovina has transformed the classic aggression against Bosnia-Herzegovina into a civil war. We stand no chance whatsoever with that sort of leadership.*

After Alija Izetbegovic removed from secular power everyone who did not blindly follow the orthodox policy of the chief Muslim ideologist and gray eminence Rusmir Mahmutcehajic and of his political followers, he recently—as we already know—did the same thing in the domain of religious authority as well. Specifically, Izetbegovic directly led the putsch against the leadership of the Islamic Religious Community (IZ), after which the reis-ul-ulema for the former Yugoslavia, Hadzi Jakub Effendi Selimoski, who is absolutely the most influential Muslim in the world, was illegally deposed. When Mr. Selimoski refused to accept this dismissal—carried out in an illegal, putsch-like manner, despite the support that he had from all six IZ mesihats (Sarajevo, Zagreb, Ljubljana, Skopje, Podgorica, Belgrade)—a "Renewal Congress" of the IZ of Bosnia-Herzegovina was held on 28 April in Sarajevo, where it was decided to elect Mustafa Ceric, until then the imam of the Zagreb mosque and the leader of the hard line of Zagreb SDA [Party of Democratic Action] ideologues, as Bosnian naiba reis and to create a separate Islamic Community of Bosnia-Herzegovina, historically linked to the one from the period from 1907 to 1930.

Reis-ul-ulema Hadzi Jakub Effendi Selimoski was recently in Zagreb for a short stay, and he gave an interview for our magazine.

[Jurisic] What are your thoughts after everything that has happened in the IZ of Bosnia-Herzegovina?

[Selimoski] I think that no one needs such a tyrannical, putsch-like act at this time, especially not the millions of worn-out people in Bosnia-Herzegovina and elsewhere, adherents of Islam, who are up to their necks in blood, massacres, disunity, schisms, and violence. Interference by secular authorities in the religious sphere is an inadmissible act, and under no international law can or should religious communities share the fate of a sociopolitical community. The Islamic Community has its

own institutions, its own constitution, its own representative bodies, whose decisions are the only authoritative ones, even with respect to splitting off and seceding from the IZ, which clearly does not give a "group of citizens," no matter where they are, the right to arbitrarily decide the fate of the entire Islamic community in the territory of Bosnia-Herzegovina or in the broader expanse of the former Yugoslavia.

[Jurisic] You clearly maintain that the removal from office was carried out in an illegitimate and illegal fashion?

[Selimoski] I would add: in a brutal fashion. One must not lose sight of the fact that at the so-called Renewal Congress, of the 36 delegates present a minority were from the Islamic Community, and a very small number of them were from outside Sarajevo. Most of the delegates were from associations such as the humanitarian organizations Merhamet and Red Crescent, the Council of Bosnian Muslim Intellectuals, the Cultural Society "Rebirth," the Association of Sandzak Residents, the Association of Southeastern Bosnia, etc.

[Jurisic] What were their positions at the session of the "Renewal Congress"?

[Selimoski] They contend that with the disintegration of the former Yugoslavia, the Islamic Community in that territory also disintegrated, which is absolutely untrue, because we have not seen the disintegration of any other religious communities, whose spiritual range is based exclusively on the will of adherents to those faiths. Otherwise, the idea of restoring the autonomy of the IZ in the Republic of Bosnia-Herzegovina has a model in the form of the community that was active from 1909 to 1930, when King Aleksandar abolished it under the law on establishing the Islamic Religious Community of the Kingdom of Yugoslavia. Thus, this putschist group of citizens contends that that IZ in Bosnia-Herzegovina lost its independence and autonomy because all adherents of Islam in the territory of the Kingdom of Yugoslavia were united into one unified IZ. According to their interpretation, that was why the reis-ul-ulema at the time, Causevic, resigned from that post, which is not true, because Mr. Causevic spent his whole life trying to unite the Muslims in the territory of the former Yugoslavia. He resigned simply because a law on religious communities had been enacted that allowed the political or state oligarchy to interfere in the affairs of religious communities. Mr. Causevic could not come to terms with that, and he resigned exclusively for those reasons.

Today, after the putsch, it seems quite appropriate to ask whether the 36 delegates, in terms of composition and the areas from which they come, can be genuine representatives of Muslim believers not only in Bosnia-Herzegovina, but also outside it.

[Jurisic] Numerous accusations have expressed against you, both at the "Renewal Congress" and in the Bosnia-Herzegovina media. You are mostly criticized for pursuing a Yugoslav policy in the IZ, for not recognizing Bosnia-Herzegovina separateness, for your long absence from besieged Sarajevo....

[Selimoski] ... and because of joint prayers with Pope John Paul II and representatives of other faiths, the moderate policy that I pursue, etc. Here again I must repeat what I have said many times in public pronouncements. But given the information blockade in Bosnia-Herzegovina, as well as the disgraceful conduct of the state media there, it will not hurt to briefly explain for your esteemed publication my concept for reorganizing the IZ after the disintegration of Yugoslavia. This is the best way for me to refute all the unfounded, fabricated, and above all perfidious charges coming from the Sarajevo branch, with the wholehearted support of the Zagreb mosque lobby.

Back in October 1991, at its meeting in Sarajevo, the Rijaset of the IZ adopted a document that among other things stated its position on the need to protect the integrity of the Republic of Bosnia-Herzegovina and wholeheartedly supported the founding of an independent, sovereign state community of Bosnia-Herzegovina. In accordance with this stated commitment, the highest institutions of the IZ took action, especially in the foreign sphere, in order to ensure recognition of Bosnia-Herzegovina as an independent and sovereign state. History will remember our address to the Islamic Conference, after which its secretary general Hamid al Gabid called upon the member-states of that conference to recognize Bosnia-Herzegovina as an independent and sovereign state. We were among the first on 6 April 1992 to accurately identify and name the aggressor, unlike certain high-ranking political officials from the Republic of Bosnia-Herzegovina who even after several months of bloody warfare, when half of Bosnia-Herzegovina had been devastated and thousands of innocent people had been massacred, did not know who was firing from the hills or who the aggressor was. These same people contended that the war in fraternal Croatia was not their war, and during the election campaign they promised their own Muslim nation a pie in the sky. And that there would never be a repeat of the massacre that happened to them during the Second World War, although it can be said with certainty that then it was in a much milder form. Unlike them, who now only accuse others and have a putschist bent, we have presented the platform of this aggression precisely both in Bosnia-Herzegovina and in the world, and worked tirelessly on maintaining all the threads between the nations of Bosnia-Herzegovina. Thus, they accuse me for all of this that I have done, and perhaps also because as a religious organization we are in favor of a defensive war, but we are opposed to all forms of revenge. Finally, in the end it must become clear to everyone that this war was begun because of the interests of certain political circles, and not because of the interests of some nation, as people persistently try to misrepresent it.

[Jurisic] A moment ago you criticized the state media in Bosnia-Herzegovina. Why?

[Selimoski] Because of their inadmissible attitude toward us. Although the announcement from the Mesihat of the IZ of Bosnia-Herzegovina clearly stated that this was a classic tyrannical act by a group of citizens, after which there came other announcements and reactions, for example by the "Ilmija" association, and from the Mostar, Zenica, Gorazde, Cazin, and Tuzla regions. Despite this, the media in Bosnia-Herzegovina offered us only one chance at the beginning to present our views. But the newly founded IZ of Bosnia-Herzegovina is getting completely different treatment. It sounds off every day, so that one might get the impression that only it exists, and that we have been "wiped" off the face of the earth. Powerful figures in the state media, closely cooperating with the political leadership, strictly monitor every announcement that comes from the Rijaset and Mesihat, and naturally throw them in the trash can. To make the absurdity even greater, even printing houses outside Sarajevo have received directives saying that they should not print GLASNIK RIJASETA IZ, which has been in publication for more than 50 years. We printed it undisturbed even during the communist regime. There can be nothing more disgraceful! And if it were not for the alternative media in Bosnia-Herzegovina, such as the independent Radio 99 and the independent publication RATNI BH DANI, we in Sarajevo would be absolutely thwarted in our public activities.

[Jurisic] What could be the consequences of the creation of a parallel IZ for Bosnia-Herzegovina and the adherents of Islam living there?

[Selimoski] They could be perilous. Today there are more than one million people who have been expelled from Bosnia-Herzegovina, several thousand have been massacred, violated, two-thirds of the country is occupied, and some of our territory that is under ironclad encirclement could very quickly become a tasty morsel for the savage aggressor. It is under these circumstances that this disgraceful putsch has happened, which will inevitably cause a further disintegration of the Muslim essence in Bosnia-Herzegovina, and rest assured that this will also threaten the defensive potential of the entire country.

[Jurisic] Have you also warned Mr. Alija Izetbegovic of the harm of this—as you call it—tyrannical act in the IZ of Bosnia-Herzegovina?

[Selimoski] I have spoken with Mr. Izetbegovic on several occasions and in a dramatic tone I have warned him of the danger of this sort of tyrannical act. But all my words have been in vain, because Mr. Izetbegovic, as the only authority who was able to stop all this, has done nothing other than providing empty promises. Or actually he has done something: He has closely cooperated with the putschists.

[Jurisic] So you maintain that Mr. Izetbegovic participated in the putsch that took place in the IZ of Bosnia-Herzegovina?

[Selimoski] It is completely certain that he participated in all that. Immediately after the "Renewal Congress" adjourned, Mr. Izetbegovic received the putschists and gave them his wholehearted support. Through that, everything became crystal clear.

[Jurisic] What became clear?

[Selimoski] Well, now it is completely obvious that neither Mr. Izetbegovic nor the innermost circle of Bosnia-Herzegovina political power-holders in Sarajevo nor the main SDA ideologues from the Zagreb mosque, who unfortunately implement all their decisions by force, were interested in any sort of IZ other than an obedient one. Because only that type of IZ, shaped in their own image, can temper all the justified discontent of Muslim believers and tacitly ratify all future decisions for the Bosnia-Herzegovina state. But this behavior on their part is in conflict with the law on the true position of religious communities, because they are completely autonomous and the state has no right whatsoever to interfere in their workings. We did not have problems like these even under the strong-arm communist regime, as I stressed a little earlier. This would all be laughable if it were not tragic.

[Jurisic] Many feel that the events in the IZ of Bosnia-Herzegovina run counter not only to the interests of the Muslims, but also to the establishment of a lasting peace in this region. What do you think about that?

[Selimoski] I agree absolutely with such assessments. The creation of a parallel spiritual organization leads to a rift in the unified spiritual realm in Bosnia-Herzegovina. This will quite certainly be reflected in other Muslims as well.

[Jurisic] You are thinking of the Islamic world?

[Selimoski] Naturally. Even the Islamic League (the spiritual association of the Muslim world) has already reacted, and there have been similar articles in several Islamic countries: in the [United Arab] Emirates, Kuwait, Saudi Arabia, Turkey. The most tragic part of this is that the positive charge of the Islamic world to help Bosnia-Herzegovina in its defensive war will wane entirely.

[Jurisic] After the tragic clashes in central Bosnia between Muslims and Croats, and the bloody expulsion of Croats from their centuries-old homes, has not the world begun to wash its hands of Bosnia-Herzegovina?

[Selimoski] Unfortunately, I think that our political leadership, through its senseless political moves, is transforming the classic aggression against Bosnia-Herzegovina into a civil war—if not yet entirely, then certainly to an increasing extent. And no one wants to intervene wherever there is civil war, because in that case

there are no strategic goals. Thus, if everyone is threatening everyone else, the world will say: Well, excuse me, go ahead and kill each other if that is the way you are. This is precisely why the conflict between Muslims and Croats must be halted as soon as possible. I am deeply convinced that a further escalation of that conflict will lead Bosnia-Herzegovina straight to nonexistence, and I am afraid that Croatia will not fare any better against the raging Serb aggressor. The only way to avoid this catastrophe is to join the Croat-Muslim corpus. In translation, that means that the Muslim and Croat nations have a historic responsibility in Bosnia-Herzegovina and Croatia to solve the problem even in the Balkans, or to make it even bloodier.

[Jurisic] Do you believe that with the present political leadership of Bosnia-Herzegovina there are any prospects whatsoever for this sort of radical turnaround?

[Selimoski] Based on what has been done thus far in the political sphere, even before the war in Bosnia-Herzegovina and during the aggression against Croatia, I think that the current political leadership of Bosnia-Herzegovina has no prospects whatsoever for making a radical break that would yield positive results. Playing only the card of international intervention, its way of energizing the world community has been more than amateurish, naive, and nonproficient. Its lay strategy concerning the aggression was based on the principle "the worse for us, the better for us," so that the highest-ranking political factors in Bosnia-Herzegovina believed that military intervention would come sooner if as many cities and towns as possible were destroyed, and if as many of their people as possible were killed, raped, violated, and massacred. Thus, if this policy continues, and as far as I can see it is continuing, then our prospects are minimal. I even think that they and their ilk could lead us into even greater gloom and hopelessness.

[Jurisic] Assuming that the Muslim-Croat corpus is united, is it at all possible to defeat the Serb aggressor military, given the benevolence of the international community toward the Serbs?

[Selimoski] As long as Muslims and Croats are fighting each other, there is nothing good to hope for. I have already pointed out that our political leadership has transformed the aggression against Bosnia-Herzegovina into a civil war. We stand no chance whatsoever with that sort of leadership. Only new people, for whom the interests of the nation are more important than their own narrow partisan interests, can lead to the radical turnaround that we discussed a little earlier. In that case, the international community as well would assume a much more positive stance toward the war in Bosnia-Herzegovina. And with such a balance of power, even the Serb aggressor would no longer be that fierce. Because in that case its adversary would not be a passive international community and a shattered Muslim-Croat corpus.

[Jurisic] Do you believe that right now is an auspicious time for new people and new ideas?

[Selimoski] I am convinced of it. Otherwise, we already have one foot in the abyss of nothingness.

Bosnian Serbs Equipped To Fight to End of Year

93BA1212C Zagreb VJESNIK in Serbo-Croatian 6 Jul 93 p 26

[Article reprinted from DOMOVINA: "A Ton of Ammunition for Every Armed Serb"]

[Text] In the department "Under the Magnifying Glass of the Experts," the nonparty newspaper of the Bosnia-Herzegovina [B-H] union "Homeland" has been studying "the quantity of arms possessed by the chetniks in B-H."

"It is estimated that at the outset slightly more than 50,000 people in B-H were armed with equipment of the former JNA [Yugoslav People's Army]. By order of Milosevic and General Blagoje Adzic, the former JNA left the chetniks in B-H some 200 tanks, 150 armored personnel carriers, 400 heavy cannon, 800 mortars and recoilless cannon—along with huge amounts of ammunition. Recently, Milosevic, along with all that, equipped approximately 42,000 more chetniks to wage war in B-H, so that now the criminal Karadzic possesses—so it is calculated—an army of nearly 100,000 men armed to the teeth and indeed with very up-to-date weapons. We should include here more than 1,000 machine guns, about 1,500 bazookas, almost 200 recoilless cannon, 500 mortars, about 150 large-caliber cannon and howitzers, and then 54 multiple-barrel rocket launchers, some 100 tanks, about 1,500 trucks and other vehicles, 80 or so flamethrowers, and 1,500 small two-way radios.

"Professional analyses indicate that the chetniks in Bosnia-Herzegovina at this moment have about 80,000 tons of ammunition, which would be enough for another year and a half or so of war, and they have fuel and spare parts at least to the end of this year. This should be tied in with the assertion of Teodor Gersak, military analyst in Ljubljana, that Milosevic's FRY has weapons to wage war for another four to five years," DOMOVINA writes.

TANJUG Reports on Fighting, Updates Status of Talks

LD2107144393 Belgrade TANJUG in English 1230 GMT 21 Jul 93

["Pool" item]

[Text] Knin, July 21 (TANJUG)—Croatian forces on Wednesday morning [21 July] resumed small arms attacks on the area of Drnis and Skradin in the south of the Republic of Serb Krajina (RSK) instead of preparing for the withdrawal from territories occupied in an offensive last January, Serb military sources said.

Fires were set to a number of villages in the area and Croatian troops prevented their putting out by constantly opening mortar and anti-aircraft machine-gun fire. In the regions of Lika and Kordun in the western part of the RSK, Croatian forces also opened sporadic small arms fire.

The RSK was proclaimed two years ago by Serbs in areas within the administrative borders of the former Yugoslav Republic of Croatia where they make up the majority population. The proclamation came in response to Croatia's forcible secession from the former Yugoslav Federation. Since March 1992, the RSK territory has been under the protection of the United Nations.

On the basis of an agreement signed in Erdut last Thursday, the RSK allowed the Maslenica bridge and the Zemunik airport in the south of the RSK to be re-opened to traffic. These latest attacks show that the Croatian authorities do not plan to respect the agreement, which also provides for the withdrawal of Croatian troops to positions they held before their January 22 aggression, said the RSK state committee in charge of relations with the U.N. Protection Force (UNPROFOR).

The RSK's condition for a ceasefire is that the Croatian troops withdraw from the RSK territory by July 31. Military experts of the RSK and Croatia are expected to reach a ceasefire agreement at talks which are currently under way in Vienna. Under the agreement signed in Erdut, the Maslenica bridge and the Zemunik airport are to be placed under the U.N. control after the withdrawal of the Croatian Army troops and police while RSK police and UNPROFOR troops should return to the currently occupied Serb villages.

Talks Resume on Cease-Fire, Peace Agreement

LD2107140693 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 21 Jul 93

[Text] Talks between military and political representatives of the Republic of Croatia and representatives of the Serbs from the occupied areas in Croatia resumed today in the United Nations offices in Vienna. The talks began yesterday afternoon but were suspended when the Croatian delegation learned about attacks in the Zadar hinterland.

The talks have resumed behind closed doors today, however. We have learned that the eight-member Croatian delegation and the same number of Serb representatives from the occupied Croatian areas stressed their readiness for a peaceful solution to the conflict.

They are discussing, among other issues, the implementation of the Geneva agreement and a fresh cease-fire, because a cease-fire is a necessary condition for other practical economic agreements. A UN official said that today's negotiations are proceeding in a relatively positive atmosphere.

A news conference is scheduled to take place at 1700 this afternoon in the United Nations offices in Vienna.

UN Official Says Muslims 'Abducted' From Bosnia

AU2107142493 Paris AFP in English 1359 GMT 21 Jul 93

[Excerpts] Split, Croatia, July 21 (AFP)—Another 180 Moslems abducted from the Bosnian city of Mostar have arrived on an island off the Croatian coast, which is being used as a resettlement camp, a U.N. official said Wednesday [21 July].

There are now 511 Moslem men, women and children on Obonjan island, according to the camp director Miroslav Maslac and Yanko Slodre, spokesman for the U.N. High Commissioner for Refugees (UNHCR) in this south Croatian port.

"There are persistent rumours that they will be joined by others," Slodre told AFP.

All the Moslems on Obonjan have been taken from their homes in and around Mostar, the biggest city in southern Bosnia-Herzegovina, by armed members of the Bosnian Croat militia, HVO, according to interviews with the refugees themselves and the German doctor attending them. [passage omitted]

Slodre told AFP that another 180 Moslems were transferred to Obonjan Tuesday night.

Maslac said the refugees were "in transit before they depart for another European country."

Meanwhile the French consul in Zagreb has accused the HVO of detaining two French humanitarian aid workers in Bosnia.

Farid Mazni who worked for a group called the Youth of Venissieux (a suburb of the French city of Lyons) was captured in mid-June at Kiseljak, 25 kilometres (15 miles) west of Sarajevo, the consul reported.

Francois Chagi, who distributed medicine for a little-known organisation, was seized in the southern Konjic region some weeks ago.

The consulate has written to Bosnian Croat leader Mate Boban asking for information on all French detainees. The letter asks how the HVO intends to free them.

Moslem refugees on Obonjan told AFP there was a 25-year-old French national called Farid among the prisoners that the HVO was holding at the Mostar heliport. But according to the consulate Farid Mazni is 33 years old.

Separately in Sarajevo, UNHCR spokesman Peter Kessler said that the HVO were still blocking aid convoys on the way to Sarajevo and central Bosnia.

Kessler also relayed a report from a Red Cross worker in the north-central town of Maglaj who radioed out that the local situation was desperate.

The Moslems in Maglaj and nearby Tesanj were suffering heavy shelling as well as dwindling food and medical supplies, the worker said.

RSK: Croatian Memorandum 'Totally False'

LD2107211093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1724 GMT 21 Jul 93

[Text] Belgrade, 21 Jul (TANJUG)—The foreign ministry of the republic of Serb Krajina [RSK] in Croatia has forwarded a diplomatic note to diplomatic and consular missions in Belgrade and to UN Secretary General Butrus-Ghali, in which it denies the data contained in the Croatian Government's Memorandum on Human Rights in Croatia.

The RSK Foreign Ministry's note, forwarded to TANJUG today, stresses that the data in the memorandum submitted by Croatian Prime Minister Nikica Valentic to EC members in Brussels in June "was totally false" and that it is "inconceivable that the Croatian Government could allow itself such insolence and believe it could mislead the international community."

Emphasizing that Croatia is perpetrating state terror over the Serbian population, the note specifies that some 300,000 Serbs have been expelled from Croatia, mostly from big cities.

It also says that 30 percent of the population of Croatia is Serb, not 11 percent, as the memorandum stated, and claims that Croatia has rigged every population census since 1945.

It is said that Serbia did not commit aggression against Croatia, but that Croatia has attacked all Serb-populated regions and carried out ethnic cleansing in 193 settlements in western Slavonia, while the Serbs managed to defend the remaining territories and found their own state on them.

The note also denies figures on the number of refugees in Croatia and stresses that the Serbs, whom the Zagreb authorities are accusing of war crimes, were only defending their country from the Croatian Army's aggression.

At the end of its note, the RSK foreign ministry expresses consternation over the fact that Croatia has extended its support for the founding of the international tribunal for war crimes, because Croatia is responsible for the outbreak of the war in 1991. The note points out that Croatian citizenship was only granted to those who support the ruling party.

Situation in UNPA Sector North

93BA1212E Zagreb VJESNIK in Serbo-Croatian 7 Jul 93 p 6

[Article by Tomo Krizanic: "The 'Banquet' With the Terrorists Is Over"]

[Text] Canada, Nigeria, Kenya, Denmark, Argentina, Belgium... are the countries supplying most of the members of the UNPROFOR [UN Protection Force] in Sisak-Moslavacka Zupanija from Novska, which includes the UNPA [UN protected area] Zone West, to the Sisak-Petrinja segment in Sector North. Different peoples, different armies, different mentalities, customs, and approaches, and the same goes for their judgments, although they all ought to act with equal effectiveness.

The immense number of displaced persons has had no direct benefit whatsoever from their presence in the Sava Valley, Kupa Valley, and the edge of Banija. The approximately 1,300 displaced persons from Dvor na Uni and the approximately 6,000 people driven out of the Una Valley near Hrvatska Kostajnica are not happy with the UNPROFOR. The same bitterness has been felt by the 7,200 people driven out of Glina, and there is no justification whatsoever for the UN forces coming from the 10,000 people driven out of Petrinja, who are the most numerous war casualties from Banija.

Earnings From Smuggling

Black-skinned Nigerian soldiers were most of the time at checkpoints along the separation line between the free section and the temporarily occupied section of Croatia in Moscenica, Brest, Mala Gorica, Glinska Poljana, and Slana. Although they came from far away, they quickly got their bearings and established ties with the rebellious Serbs in Petrinja, Glina, and Topusko, and that was the location of their command, headed by General Musa Bamaya. There has been an abundance of evidence of cooperation between the Nigerians and the Serbian terrorists, because both had a common interest in smuggling, in reselling goods for which there is a chronic shortage in the occupied area. That is why the Nigerians went "shopping" in Sisak and in their white vehicles carried goods off to the Serbian terrorists and in this way had lucrative earnings of foreign exchange.

Very few Nigerians knew the truth about the Serbian aggression, because the Serbs themselves "taught them"

through special pamphlets full of lies about the "ancient right" to Croatian soil. For that matter, how in fact would the distant Africans have learned the history of this region when at the beginning they did not even want to swim in the Kupa because they did not know that there are no crocodiles in Europe?

At the same time, the Nigerians also established numerous sentimental ties of romance with the Serbian women in the occupied area, so that when their one-year mandate came to an end, there was bitter crying and many tears on both sides before they left. In the official farewell ceremonies organized by the "command" of the Banija rebels, the African commanders greatly praised the "Serbian friends" and expressed sorrow they were leaving "because among them they felt as they did in their own families."

It is obvious that members of the UNPROFOR were systematically and effectively aiding the occupiers. They even rebuilt demolished bridges for them, like the one at Glina, the opening of which was even personally attended by Satish Nambiar, commander of UN forces at that time. The Serbian terrorists have also certainly taken advantage of military intelligence data of members of the United Nations.

They Surrounded a Church With Machine Guns

The Croats in Moscenica, a place between Petrinja and Sisak, were particularly bitter about the Nigerians; that is where the African soldiers set up their first checkpoint far inside the free territory of Croatia, and "checked" the Croats in true tent-tribe fashion, quite often even aiming weapons at civilians. They even "surrounded" and enclosed a damaged chapel in that town with machine guns. Because of this behavior, the embittered people of Moscenica drafted protests to the Croatian Government, to the commander of UNPA Zone North, and even to the UN secretary general. The black-skinned monsters were dealt with only by their final return to Africa, and the Danes who replaced them immediately showed different habits, culture, and behavior. The center of Moscenica has been cleaned up, the remnants left behind by the Nigerians have been removed, and a real check has begun along the separation line. The chetniks from the Finel Wood Industry can no longer provoke and shoot at Croatian defenders unimpuned, because the Danes immediately determine the place where they open fire, and several times they themselves returned the chetnik fire. Soon, soldiers are to come to the line of demarcation from Argentina, and some of them can already be seen in the streets of Sisak. They are quite different from those from Africa, who were seen loafing around Sisak in army overcoats which the JNA [Yugoslav People's Army] had written off and which the Serbian soldiers had given them as charity from the warehouses for salvage.

It is yet to be seen to what extent the newly arrived "blue helmets" will implement the Vance Plan. Not a single Croat has yet set foot in Petrinja, Glina, Hrvatska Kostajnica, and Dvor na Uni since the summer and fall of 1991. What is more, hundreds of elderly, feeble, sick, frightened, beaten, and injured Croats have been evacuated from the Serbian "law-governed krajina republic," as the rebel Serbs have christened this creation. The unfortunate and exhausted Croats have arrived via Moscenica in UNPROFOR vehicles, and in the last arrival in Sisak of a group from Glina the young members of the Danish UN battalion could see for themselves the poignant meetings of children and grandchildren with their old fathers and mothers who had saved their lives, leaving behind all their property to the Banija rebels.

Official representatives of a section of the Office of the Defense Ministry of the Republic of Croatia, which has existed in Sisak since the UNPROFOR arrived, have the most frequent contacts with members of the EC and United Nations in the Sisak area. We were not able to learn anything in more detail even officially from the officials on duty, because the high command in Zagreb is responsible for the press. At the doors of the office, we were only able to see that they work with civilians every Monday and Wednesday from 0900 to 1030 hours. And on Monday, people came to ask for advice and bring documents for the "transfer" of their nearest and dearest from the hell and hopelessness of the occupied territory.

Situation in UNPA Sector South

93BA1212D Zagreb VJESNIK in Serbo-Croatian 6 Jul 93 p 5

[Article by Mario Ivancic: "Blue Helmets Hardly Have a Chance"]

[Text] The next month, three at the most, will probably be the last occasion for the UN peacekeeping forces and Security Council which sent them to Croatia to try at least in part to justify the reasons for their mission. At the end of that time, there will be fairly reliable knowledge of whether the situation in Croatia, which is constantly on the verge between war and peace, has finally moved off dead center toward a more lasting and quality peace and in the direction of some political solution. The most recent resolution of the Security Council, No. 847, which cannot be said to have accepted Croatia's demands and determination to put an end to the futile thrashing around in place, but did not altogether ignore it, will certainly mean a break from the mission that comes down only to observing the situation or a definitive divorce from all peacekeeping force on this soil. The peacekeeping forces, such as they have been over the last 15 months, are needed only by the Serbian rebels, who have in fact not seen them in any other way, but as a protective cordon toward the free territory of Croatia. What is called the UNPA [UN protected area] Sector South in Croatia is an area in which the world organization's power to finally implement something of what it has proclaimed will be tested the most in coming weeks.

As we know, Knin is the center of the Serbian rebellion in Croatia, not so much because of its demographic features as because it was so defined in the military-political command headquarters in Belgrade. The nuclei of the rebel government are in Knin, the entire rebel military and police system is there, its main military strength is there and is everyday arriving there in the form of humanitarian aid from Serbia. And finally, Knin has proclaimed itself the capital of the occupation structure. All attempts so far by representatives of the UNPROFOR [UN Protection Force], its top military and civilian commanders, to win the rebel government in Knin over to an agreement with Croatia and Zagreb have gone without any results whatsoever. Nambiar, Wahlgren, Thornberry, Andreyev, and all the other UNPROFOR leaders have paid visits to Knin. Leading world diplomats have been there, Vance and Owen, authors of the peacekeeping concepts, and then the Russian diplomat Vitaliy Churkin, but the rebel authorities in Knin sent them all to the wall, saying that the "krajina" is a state which has its own territory, borders, people, and laws. And it was altogether forgotten that that "state" came about through a system of scorched earth and the mechanism of ethnic cleansing and complete genocide of the minority Croats.

Is Butrus-Ghali Going To Be Taken In Again?

Will there be any essential change in the time that lies ahead, which is nevertheless short? Hardly, because in the meantime the Serbian rebels have held their so-called referendum for secession, one in a series of them. Not, of course, by accident or on its own initiative, but again under instruction from Belgrade, counting on this being their top trump in future legalization of the result achieved by occupation. It is possible that now, following the most recent UN resolution, in which one nevertheless can find a somewhat greater resolution of the international community to carry out the Vance Plan, the Serbs will again buy time and neutralize the "anger" of the world diplomats, it is possible that in this way they will feign cooperativeness, consent to a new cycle of negotiations with the Croatian Government. It is quite certain, however, that nothing particular will occur in those negotiations, just as has been the case during the entire time up to now. Perhaps only the top man of the international community, Butrus Butrus-Ghali, will again be taken in by that false cooperation of the local Serbian authorities and groundlessly assert that the talks are making progress, while the news from the field will decisively refute him the very next day. Sooner or later, they will all have to face the same Gordian knot, incapable of cutting it.

Nevertheless, everything is not the same as it was before. The international community, the Security Council, and Secretary General Butrus-Ghali will have at the most another three months to demonstrate their powerlessness concerning the situation in Croatia. The Croatian people and Croatian Government, it seems, no longer have the will to tolerate Cyprusization of Croatia for a year and a half, regardless of all the possible consequences of losing patience. The dilemma as to whether war or peace is to come in Croatia remains a riddle still, and it is also a question whether the United Nations can do anything essential here, because it is well-known that the local Serbs do not want peace, because the kind of strategy they have chosen is well-known.

It is not difficult to recall the fiasco which the peacekeeping forces experienced in Croatia, especially in the so-called Sector South. Nothing of the Vance Plan has been felt in the field. Of the several stages elaborated in that plan, beginning with the cease-fire, separation of the belligerents, demilitarization of zones, disarming of the Serbian paramilitary units, all the way to return of the displaced persons and Croatian authority to those areas, literally nothing has been done. Even the cease-fire which has occasionally been respected has not been complete. Every drunk chetnik has dictated it any way he pleased without rendering accounts to anyone because of that, least of all to the UNPROFOR. It was an illusion for Croatia to expect that the arrival of the UNPROFOR meant a gradual resolution of its troubles, and the return of the displaced persons in particular. But not only have they not returned, those who remained in the surrounded occupation zone have been driven out every day. Several thousand Croats from the areas of Benkovac, Obrovac, and Knin have had to flee to free Croatian space under UNPROFOR escort. Today, there are about 500 of them waiting for an occasion to do the same. Even they do not live in their own houses, but in some kind of Serbian collection centers. The Serbian rebels have committed countless crimes against the remaining Croats. There is hardly a village where cruel murders of Croats have not been committed by individuals or groups, although these, nota bene, are protected areas, the so-called UNPA zones.

The Promised Month Extended to a Year

At the beginning of its mandate, the UNPROFOR undertook extensive diplomatic activity and the creation of ties between the conflicting sides, out of unlimited belief in the benevolence of the Serbs, thinking that this was a disagreement easy to work out. It visited now one and now the other side, it arranged meetings, it asked for concessions from each side. It has been getting them from Croatia, but never from the Serbian side. When he took over the duty of chief of civilian affairs in Sector South, Viktor Andreyev said that the return of the displaced persons would be possible in a month. That was in June 1992. It is now July 1993, and the return does not seem a bit closer. When the representatives of the UNPROFOR became aware of the nature of the conflict, that is, that this was a Serbian war of conquest, they realized that they could not really do anything here, nothing more than apply the model of Cyprus, possibly a cease-fire. That is why the initial enthusiasm of the peacekeeping forces was soon replaced by indifference and the attitude "What do we care, let it last as long as it

lasts." After that, it all became a question of Croatia's patience. It is turning out that patience cannot be unlimited.

At the beginning, the UNPROFOR looked at the reasons behind its fiasco in the distribution of guilt between the belligerents, although it knew itself that it made no difference at all to the crisis who was the first to fire a rifle burst or fire the first shell. For that matter, the assertion about equal guilt was not true either. Today, to be sure, UN Secretary General Butrus-Ghali is putting most of the blame on the authority of the local Serbs, but there is no effective benefit. After all, the local Serbs are not entirely behind the UNPROFOR either. Until Operation Maslenica, they were quite close to them, regarding them as a guarantor of "their borders," but after that action the UNPROFOR visibly disappointed them.

Recently, the rebels have had few meetings with the UNPROFOR. What is more, the UNPROFOR's movement is restricted, so that there are no longer "blue helmets" in the zone of the conflict that would oversee the situation to some extent. In some cases, members of the UNPROFOR are not even allowed to move about normally. Immediately after Operation Maslenica, the chetniks held certain UNPROFOR units as hostages in a Benkovac hotel, and some on the line of demarcation at Gornji Zemunik, which is why the Croatian Army did not dare to actually capture that fortification, because it feared for the lives of the Czech members of the UNPROFOR. Today, the chetniks are displaying open hostility toward members of the UNPROFOR. At the beginning, there were soccer games between them and assemblies with lamb turned on the spit, but today there is nothing except the cold and threatening glares of the chetniks toward the blue helmets, who would certainly become hostages if there should be a new Croatian liberation action.

The situation in the field, then, still does not suggest a peaceful attitude on the part of the Serbs. On the contrary, it seems that their radicalism has never been greater. Certainly, it remains for us to see whether something will change in the new additional mandate of the protective forces and in the world of the new resolution of the UN Security Council. But up to now time has not been a good adviser.

Need To Link Two Energy Systems

93BA1237D Zagreb DANAS in Serbo-Croatian 2 Jul 93 p 28

[Interview with Vladimir Kramberger, deputy minister of the economy and chairman of the board of the Croatian Electric Power Industry, by Petar Grubisic; place and date not given: "Enough Electricity in September"]

[Text] [Kramberger] We have tried to explain to the Dalmatian population the electric energy situation in which that part of Croatia finds itself. We have presented the bleakest scenario, according to which electricity from the hydroelectric power plants [HE's] on the Neretva and even from the Dubrovnik HE should not be counted on. It is certain that the reductions for ordinary consumers will not be ended on 1 July, as Prime Minister Valentic announced, but at the same time we promise that the hours of reduction will not increase in number.

According to that scenario, which provides for the use of only supplemental sources and the small supplies of water, we figure that we will begin to curb the reductions and completely end them by the end of September, at the very least for ordinary consumers. But we will end them sooner if conditions are more favorable.

[Grubisic] Croatia is currently divided into two energy systems. Is it possible to connect them?

[Kramberger] It is possible, and we are trying. We call this an insular link. With it, we would link the northern with the southern part at a level of 110 kilovolts, without the 400 kilovolt segment, which is under occupation. In this way, we could send 70 megawatts of power to Zadar, which would be quite a lot in this situation. What we need most for this task is to procure a sea cable 11 km long. Only a few countries produce that sort of thing, and the cost is astronomical ($14 million), which is made difficult for us by the closing of the financial construction project.

The hookup of these two systems through the insular link is scheduled for April 1994. This is the only way that we can isolate the four southern zupanijas from Bosnia-Herzegovina and the occupied territories in terms of electric energy in the short term.

[Grubisic] Is such energy very expensive?

[Kramberger] A kilowatt-hour of electric energy that would be produced in this way would not be economical under normal conditions, and no one would recommend this type of production. However, other criteria are at play right now. When there is no electricity, you do not figure how much a kilowatt hour of supplied energy costs, but instead how much a kilowatt hour of unsupplied energy is costing you. According to our calculations, a kilowatt-hour of unsupplied electricity costs 50 cents in Dalmatia, while today the average price of a kilowatt-hour produced by the HE is seven cents. This means that the unsupplied kilowatt-hour costs seven times more.

[Grubisic] Croatia has invested in sources of electric energy in other republics of the former Yugoslavia. Do you have any concrete figures on that?

[Kramberger] With our money we built 600 megawatts of power in Bosnia-Herzegovina, while in Slovenia we have half of the nuclear power plant in Krsko, which is 332 megawatts. Added to that is the 550 megawatts of energy in sources that are under occupation. So you see that we have lost a total of 1,166 megawatts of installed power at facilities in which Croatia invested.

[Grubisic] What is the solution?

[Kramberger] For now we have no plans to build major energy sources. The future lies in revitalizing existing thermoelectric and hydroelectric plants and in building lower-capacity city power plants, which would be installed around Dalmatia and would operate occasionally.

Dalmatia's Energy Problems To Continue

93BA1237C Zagreb DANAS in Serbo-Croatian 2 Jul 93 pp 27-28

[Article by Petar Grubisic: "Reductions Will Continue"]

[Text] *The darkness in Dalmatia will not be over soon. The solution lies in hooking up with the northern electrical system through occupied territory, or in building a so-called insular network, which could not be completed until April 1994.*

There is a continual flow of accusations against the government arriving from Dalmatia, to the effect that it is not doing enough to ease the problems in that part of Croatia caused by reductions in electricity. Thus, several days ago the zupan of Split-Dalmatia, Nadan Vidosevic, together with business people from his zupanija, sent a harsh letter to Prime Minister Valentic, emphasizing the following, among other things: "Appreciating all the objective circumstances in which our young state has found itself for some time now, we believe that the resolution of the energy catastrophe in the Dalmatian region has not transpired seriously and efficiently during the past period."

It is highly probable that Vidosevic is right, because obviously too much faith has been placed in politics. Dalmatia remains in darkness, while the part of industry that was not damaged in the war cannot operate because it lacks the necessary energy. While the accusation was arriving from Split, however, Prime Minister Valentic was at an Assembly session announcing reductions in all of Croatia. Valentic's announcement certainly would have come true if the Italians had not come to our aid, by supplying the necessary quantities of supplemental energy to that part of Croatia. Because of that, the HEP [Croatian Electric Power Industry] decided to desist from the prime minister's idea for the time being, so that the northern part of Croatia remains illuminated.

Darkness in that region could be caused by a stoppage at the nuclear power plant or at the Plomin I and Rijeka Thermoelectric Power Plants [TEs], or by damage to the transmission line through which electricity arrives from Switzerland and Austria via Slovenia. And all of that is precisely what happened last week. If it were not for the Italians and their electricity, Zagreb and vicinity would have experienced the dark "Dalmatian mood." The transmission line through Slovenia, which will be put back into service shortly, is the salvation for the continental part of Croatia, because through it arrives relatively cheap electricity from Austria and Switzerland.

Unprecedented Drought

Unfortunately, Dalmatia lacks this option, because it is completely isolated in terms of electric power. On one side, the link with the northern electrical system, which operates in parallel with the European system, has been cut off by the Serbs, while the other significant source of energy for Dalmatia has been shut off by Muslims in central Bosnia and the Neretva valley.

The Muslims destroyed the transmission line from central Bosnia to Konjic and control the transmission lines of the Rama Hydroelectric Plant [HE], the shutoff facility in Jablanica, the Jablanica and Gravovica HEs, and the Tuzla and Kakanj TEs. No electricity will be arriving in Croatia from these sources for quite some time, while the hydroelectric plants in Herzegovina are inadequate to meet the needs even of Herzegovina itself.

"We have completely lost the feed from the Neretva basin. That was around 2.5 million kilowatt-hours a day, and Dalmatia currently consumes 3.3 kilowatt-hours, which must be offset in some other way," says Vladimir Kramberger, the deputy minister of the economy.

This energy situation in southern Croatia has been further exacerbated by the catastrophic hydrological situation. During the first quarter of this year, Dalmatia experienced a drought that experts say occurs once every 500 years, while during the second quarter the drought was of a type experienced only once every 200 years. Because of this, Busko Blato has practically dried up, and even Peruca has no inflow. In view of all this, around 700,000 kilowatt-hours of electricity are lost to evaporation every day.

Salvation in Insular Network

The only salvation for Dalmatia is the Dubrovnik HE, which was built back in 1959 through a joint investment by Croatia and Bosnia-Herzegovina. It shut down at the beginning of the war in southern Croatia, but recently it was made ready for operation again. But a further problem is the inflow of water, which is in the hands of Trebinje's "duke," Vucurevic. According to certain arrangements, Vucurevic should release the water, because it is needed to supply Herceg-Novi as well. Starting up the Dubrovnik HE will yield 2 million kilowatt-hours of electricity, which should alleviate the current rigorous reductions in Dalmatia. Moreover, there are plans to install another 45 megawatt diesel power generator in Dalmatia by mid-July, which would be stronger than even the Peruca HE.

Still, even this will not end the darkness in Dalmatia. The only solution is to hook up with the northern electric power system, linked to the European one, which can be done only by going through occupied territory and the destroyed 400 kilovolt transmission line in the Dalmatian hinterland, or else by building a so-called insular network, which is under way.

Dalmatian business people see no quick solution to the electric energy crisis. They are suspicious of promises. However, the HEP asserts that the reductions in Dalmatia will be over by the end of September, at least, they say, for ordinary consumers.

Power Supply in Interior Returns to Normal

93BA1222A Zagreb VJESNIK in Serbo-Croatian 8 Jul 93 p 1

[Article by Zeljko Buksa: "Electric Power Situation in Croatia: Reductions Ended for Now"]

[Text] *Thanks to the startup of production at the Rijeka and Zagreb thermoelectric power plants Wednesday morning, the reductions have ended in the continental part of Croatia.*

The reductions introduced on Tuesday in northwestern Croatia and Slavonia were ended on Wednesday morning. This good news from the Croatian Electric Power Industry [HEP] is due to the fact that damage to the Zagreb and Rijeka thermoelectric power plants was repaired.

We have learned from the HEP that the Zagreb Thermoelectric Heating Plant was synchronized with the network on Tuesday evening, while on Wednesday it began working at its full power level of 100 megawatts. After partial repair of the damage to the high-pressure heaters, the Rijeka Thermoelectric Power Plant gradually increased its power level over the course of Tuesday, and on Wednesday at 0800 it achieved a strength of 210 megawatts. Although its maximum installed power level is 303 megawatts, because of equipment damage it can currently achieve a maximum strength of 250 megawatts.

The restoration of production at these two thermoelectric power plants has made it possible for the HEP to end the reductions for now, despite the fact that the Sisak Thermoelectric Power Plant did not increase its power level on Wednesday due to the low level and high temperature of the Sava River, so that its four boilers are operating at a level of 330 megawatts. Moreover, circumstances dictated that imports of electricity from Italy on Wednesday were reduced by one third, so that the HEP will import 1.8 million kilowatt-hours on Wednesday.

However, the danger of reductions is not over yet. Officials at the HEP warn that the energy system continues to operate under extreme strain, so that there is the continuous possibility that damage to some equipment will force the reintroduction of reductions in parts of Croatia where they have now been ended. This situation will continue until the end of July, when production at the "Krsko" nuclear power plant is due to resume.

The HEP promises that in the event of the reintroduction of restrictions, consumers will be notified in time to avoid a repeat of the situation where some people learned of the reduction only after firemen freed them from blocked elevators. If new restrictions on the supply of electricity are necessary, HEP experts say that they will be introduced gradually, because hydroelectric plants can provide only short-term compensation for the necessary power and energy that will be lacking due to any new problems at the thermoelectric plants.

We have learned from the HEP that 10-hour reductions remain in effect in Dalmatia. Moreover, the already difficult situation is growing even worse because of the high temperatures, so that there is less and less water in the hydroelectric plants' reservoirs. Thus, the HEP is once again warning consumers of the need to comply with current restrictions on the consumption of electricity.

Generator at Peruca Power Plant Operational

93BA1204D Zagreb VJESNIK in Serbo-Croatian 5 Jul 93 p 2

[Article by Nedjeljko Musulin: "Second Generator at End of August"]

[Text] *Experts estimate that the reconstruction of all of Peruca could be completed in September 1994.*

Sinj—Although the reservoir at the Peruca Hydroelectric Power Plant [HE] is almost half empty due to the drought, the restored 21-megawatt generator that was hooked up to the Croatian electric power system on Thursday is inspiring hope among all Dalmatian electricity consumers, because it will alleviate, at least to a certain extent, the difficulties caused by the long-term reductions in electricity.

The startup of the generator is an important success for all Peruca HE and HEP [Croatian Electric Power Industry] employees, as well as for all the Croatian experts who invested a great deal of effort into this job.

Officials at HEP emphasize that over the past three months alone, Croatian experts working on rebuilding seriously damaged engine rooms—despite enemy attacks—have accomplished the amount of work that would have taken several times longer under normal conditions. The assessments of HEP chief director Eng. Damir Begovic were also accurate. Specifically, he said a month and a half ago that the generator in question would be operational on 1 July of this year, and it was. Because of this, people at HEP are extremely satisfied, since Peruca is once again hooked up to the network only five months after Serb rebels seriously damaged and wrecked it through mining and bombing.

Now preparations are under way to restore the second generator, as well as to rebuild the entire Peruca dam. Leading people at the Peruca HE and at HEP emphasize that the second generator will be ready in a month and a half, and thus in mid- or late August, and that before then it will probably rain, which will add the so eagerly anticipated water to the reservoir.

Repairs to the dam itself will begin in late July or early August of this year. According to Eng. Damir Begovic's estimate, this exceptionally important work could be completed in September 1994, which will be the biggest gain for HEP and the electric power system. At that point, the Peruca dam with its reservoir will make it possible for work to proceed normally and for electricity to be produced at the Zakucac HE near Omis, downstream on the Cetina, naturally if there is enough water. Because of this, consumers of electricity in Dalmatia are hoping for better days. Currently, because of the shortage of water in the reservoir, the just-restored generator is operating at a strength of three megawatts, and supplies only around 70,000 kilowatt-hours of electricity a day.

Valentic on Property Disputes With Slovenia

93BA1204E Zagreb VJESNIK in Serbo-Croatian 5 Jul 93 p 10

[Article by Mirko Urosevic: "Prime Minister Valentic on Property-Law Relations With Slovenia: Mixed Enterprises or Foreign-Exchange Compensation"]

[Text] Pula—The formation of mixed enterprises based on established ownership, which will be tackled by a joint Croatian-Slovene commission, or foreign-exchange compensation: These are the real solutions to ownership disputes, meaning unresolved economic problems between Croatia and Slovenia. This is the stance of Croatian Prime Minister Nikica Valentic, who presented this view last weekend during talks with authorities of Istria Zupanija in Pula. The pretext for broaching this subject was events associated with the Buzet Brewery.

"In relations with our neighbors, especially with Slovenia, our desire is that the situation not be dramatized, but rather that everything be resolved by agreement. We hope that through this approach, which I personally advocate, we will overcome all economic and other disagreements with our Slovene friends," Nikica Valentic said.

"The case of the Buzet Brewery became so serious that it unnecessarily gained political connotations. But this is primarily a dispute of property law, and there is absolutely no need to elevate it to the level of a dispute of international law. The recipe is to establish the scope of the property, and the most acceptable solution for both sides is the formation of mixed enterprises where there is interest in that, or the payment of the equivalent value in foreign exchange. This will be tackled by a mixed Croatian-Slovene commission, and already an agreement is being prepared on this problem, which would be signed within the next 10 days," the prime minister said.

As far as the Buzet Brewery itself is concerned, however, the problem according to Valentic is somewhat more complex, because the workers—who have been out of work for months—have pressed for the resumption of production, while on the other side for commercial reasons Union probably did not have enough interest in creating a mixed enterprise.

"Or rather," Valentic added, "Union wanted to register the enterprise with 80 percent ownership, which does not correspond to reality. Indeed, Uljanik recently conducted an appraisal for them of the value of the capital, figuring that 63.7 percent belongs to the Slovene side, but now the Buzet side alleges that it was not included in that. Thus, this and similar cases will have to be resolved quickly through the joint commission. But as far as paying a visit to the Buzet Brewery is concerned, which was done several days ago, there is also a lawful way to protect property rights, and legal means must be used in both directions," Prime Minister Valentic concluded, repeating that all the preconditions have been created for resolving open economic questions efficiently and equitably to the satisfaction of both the Croatian and the Slovene side, which should also happen to a large degree this month.

Bank Governor on Inflation, Economic Stagnation

93BA1212B Zagreb VJESNIK in Serbo-Croatian 6 Jul 93 p 11

[Article by Vesna Antonic: "A More Restrictive Monetary Policy"]

[Text] The projection of monetary policy for the third quarter of this year, which was debated in last week's meeting of the Board of Governors of the NBH [National Bank of Croatia], was adopted under conditions characterized by continuation of certain adverse economic trends from the previous period, above all, the high rate of inflation at both the monthly and annual level, and then stagnation of economic activity and a relatively high degree of uncertainty as to the effect of various exogenous factors in the environment. This was emphasized by Dr. Pero Jurkovic, NBH governor, at a press conference on Monday.

"Over the last three months, average prices have risen about 27 percent, and there was also a certain rise of prices in June. That is, the monthly growth rate of prices has risen from about 26 to 29 percent, which annualized would amount to more than 1,700 percent," the governor said, adding that that kind of trend certainly ought to disturb us, especially because all seasonal factors ought to be operating toward moderation of inflation during this part of the year, not in the direction of a further acceleration.

Industrial output in the first five months of this year mainly stayed at the same level, while economic activity as a whole and the growth of the social product improved just a bit. "But however unfavorable these indicators might seem, they could be still worse in view of the effect of external factors. But that does not mean that we can be satisfied with what we have achieved. On the contrary. In the sphere of monetary policy and also economic policy in general, we must do everything to bring about a more considerable drop of inflation even during the next quarter and still more up to the end of the year," Dr. Jurkovic said.

As for monetary policy, it has been a manifest fact in the last period that on its own, without adequate support from other components of economic policy, it cannot radically alter economic trends in the direction desired. "The projection of monetary policy in the coming quarter is subordinated to lowering inflation and a certain invigoration of economic activity. Accordingly, a growth of all monetary aggregates is projected along with the discount rate policy of the NBH and policy concerning the exchange rate of the dinar. It is assumed that the growth of monetary aggregates will mainly keep pace with the growth of commodity-money transactions. The discount rate of the NBH ought to be real and positive, but at a lower assumed growth of prices than we had in the past period, while the exchange rate of the dinar would mainly keep pace with relations between domicile prices and prices in countries which are our most important economic partners," Jurkovic explained.

And he added: "Because of this orientation of monetary policy and the fact that the demand for foreign exchange is relatively insufficient, it will take skill, as it has up to now, to keep the growth of monetary aggregates within the planned limits. Especially because aside from the increased supply of foreign exchange offered for sale to the NBH from the inflow of foreign exchange and from other sources, we expect considerable pressure on those monetary aggregates under the head of grain purchases and other early-planted crops and from payment of a portion of the interest based on old foreign exchange savings. All of this will tend to increase the supply of money on the market. The limits of the projection, which we will try in every way to stick to, will make it possible to perform all the planned tasks related to the purchasing of the inflow of foreign exchange, the purchasing of agricultural crops, and to maintain satisfactory liquidity of the banking sector. But it should be emphasized that the planned monetary policy will be more restrictive than in the previous period. Otherwise, we could not count on the planned slowing down of inflation."

It was also stressed in the press conference that plans were being laid in the central bank for a number of changes in the set of instruments used by monetary policy, especially in the foreign exchange system: For example, establishment of a considerably more transparent foreign exchange market, opening up possibilities for credit financing with foreign exchange, freer formation of the exchange rate, and similar things, which should contribute to a greater demand for foreign exchange. It was also emphasized that all the other measures of economic policy should also operate in that direction, above all, fiscal policy and income policy, because otherwise the goals that have been set for bringing down inflation and invigorating production will not be achieved.

[Box, p 11]

Ljubljanska Banka [Bank of Ljubljana]: The Debt Must Be Made Up

"We did not keep our promise that we would lock up Ljubljanska Banka because negotiations are still under way between the governments of Croatia and Slovenia concerning an overall economic package that would also resolve the issue of Ljubljanska Banka. Groups of experts are already working on this, and I have the feeling that there are certain signs of softening on the Slovenian side and a somewhat more favorable climate, although a definitive solution is still not in the offing, and I do not know when it will be.

"We really cannot tolerate forever the present situation, which suits neither us nor the Slovenes. The business operation of Ljubljanska Banka has been reduced to a minimum, to what is called operations through the functional account. Actually, it is operating more on paper than in fact. This issue involves not only economic aspects, but also political factors which cannot be decided by the NBH alone, but must also involve other agencies responsible for Croatia's overall policy. In any case, we will be insisting that they must recognize and settle their debt, which is indisputable, although a portion of it, it is true, was transferred to our banks. In what manner and how are the questions now being taken up, certain alternative mechanisms are being looked at, but each of those alternatives assumes that the Croatian debt is recognized in its entirety," Pero Jurkovic said.

[Box, p 11]

The Exchange Rate of the NBH Only for Basic Transactions

"As far as the exchange rate of the dinar is concerned, it should be said that these problems are still under consideration, and work is also being done to draft the law on foreign exchange transactions. We are thinking of retaining the official exchange rate of the NBH for official transactions, for example, for billing customs duties and the most basic things done with that exchange rate, while we would leave all other transactions to the relation between supply and demand. It would be good if the NBH could also participate on the foreign exchange market, but there is some question of whether it could, because its reserves are still limited.

"The process of interbank transfer of foreign exchange has already been facilitated, internal 'scalping' with foreign exchange has been eliminated almost entirely, in some cases foreign currencies are being offered even below the official exchange rate of the dinar, primarily because of the shortage of dinars, which is a good thing. But there are banks that are following the inherited practice of keeping records of so-called foreign exchange rights, although we have abolished that practice, and they even restrict the supply of and demand for foreign exchange solely to their customers—all of this probably in the hope that the gray market for foreign exchange will revive. But if we conduct a consistent monetary policy, as we have decided to do, then there is no question of that at all. Then a more transparent market will be an inevitability," Pero Jurkovic said.

Radical Party for United Western Serbian State

93BA1199A Banja Luka GLAS SRPSKI in Serbo-Croatian 13 Jun 93 p 7

[Article and interview with Rade Leskovac, chairman of the Serbian Radical Party of the Republic of Serbian Krajina, by Momo Joksimovic; place and date not given: "Common State Is Inevitable"]

[Text] *Rade Leskovac, the chairman of the Serbian Radical Party of the Republic of Serbian Krajina [RSK], on political life, the Serb question, unification....*

A unified state, to which we will give the most appropriate name, say, Western Serbia, is an imperative for Serbs in this region; the new state must have one president, one prime minister, a unified military and police, and Banja Luka is the only possible capital. These are among the things that Leskovac said.

Two Serbian Radical Parties, one in the Serb Republic [of Bosnia-Herzegovina] and the other in the Republic of Serbian Krajina, are separate in form only; actually, they exist and act as one entity. Hence the frequent reciprocal visits, like this visit by Rade Leskovac, the chairman of the Serbian Radical Party of the Republic of Serbian Krajina, to Banja Luka but also to the editorial offices of GLAS SRPSKI, accompanied by Zivko Jovanic, the vice chairman of the "radicals" of the Serb Republic [RS].

"Our two parties act as one," Rade Leskovac says. "No personnel or cadre problems can take precedence over Serb interests. We are the only party that is not dissipating in the least, that has only the common-general interest at heart. This is the only party that has validated its status in the war. I am not thinking here of the SDS [Serbian Democratic Party], but rather the opposition parties in Serbia. Thus, there is absolutely no basis for talking about unifying a single one of these parties. We have always been and will always be only one."

However, Leskovac talks about the unification of the two states, the Serb Republic and the Republic of Serbian Krajina as a necessity, the actual goal of which is to create a state legal entity of around two and half million Serbs. Naturally, the imperative of unification is the creation of a national state which, according to him, could in 50 or 100 years potentially enter into ties with other lands with Croat or Muslim populations, and only then form a civil state.

"A unified state, to which we will give the most appropriate name, say, Western Serbia, is an imperative for Serbs in this region. Certainly this new state must have one president, as well as one prime minister, a unified military and police.... Banja Luka—where else—is the only possible capital. Personally, that is the only Serb city in which I could live," Leskovac concludes.

Hadzic's Failures

The latest session of the Assembly of the Republic of Serbian Krajina, held recently in Petrinja, where the only task was to discuss unification with the Serb Republic, seriously threatened to move in a completely different direction. It was precisely the radicals who raised the question of the president's responsibility.

"I was at a meeting of two state leaderships in Bijeljina," Leskovac explains. "Talks were held there, which were supposed to be finalized by us in Petrinja. Unfortunately, the president of the Republic of Serbian Krajina did not attend the first meeting, although the complete leadership of the Serb Republic was in Bijeljina."

According to Leskovac, President Goran Hadzic's greatest fault is that for two years now he has avoided organizing democratic, free, partisan elections.

Discussing the most important elements of the Serb struggle in the RSK, Leskovac interprets the essence of the problem through three groupings of the total Serb population. The first is the strongest and most numerous, and refers to Serbs and their territory that have never been under the Ustashi and that represent the personification of the overall struggle.

"The second group is the people of the Western Slavonian region, where the population is mostly rural, living on rich land and farming," Leskovac says. "This population has undergone a horrible exodus and traded its centuries-old hearths for Serb land in also rich Baranja and Syrmia. The third group is made up of urban Serbs. Around 400,000 of them have fled Zagreb, Split, Rijeka, Osijek, Pula, Karlovac, Sisak, Gospic, Daruvar, Bjelovar, Lipik, Pakrac, Slavonski Brod, Sibenik, Zadar, Dubrovnik...."

Key Problem

Leskovac also emphasizes that the Serbian Radical Party will raise the question of urban Serbs as the key problem in a future community of Serb states, but also as a basic question in future Krajinan-Croatian peace conferences.

"Nothing will keep us from continually and thoroughly stressing this problem during any negotiations. Even at the first peace summit, we will ask that the Croats give us four cities to which we have every right. They are Osijek, Karlovac, Zadar, and Dubrovnik. Even if the international community thinks that there is no basis for this demand, we will prove with a thousand arguments that they are essentially ours. After all, we have to house the 400,000 Serbs somewhere. Thus, we are informing the Croats that we definitely will not back down from this demand. If they turn a deaf ear to all this, then we will enter those cities militarily. It goes without saying that we will reject in the same way any obstructions that might come from Yugoslavia," Leskovac concludes.

War in Kosovo Stopped in Pale

"Some parts of our party's national program could seem to some to be unrealistic and utopian," Rade Leskovac explains. "But they are woefully mistaken. 'Bad blood'

has been created, especially recently, between Yugoslavia and the Serb borderlands, and that is simply because the majority of the job was not done as it should have been. It goes without saying that Serbs from Sisak will go to Banija, that those from Zadar will go to Drnis, but no one will fathom the essence of a Serb from, say, Zagreb or Dubrovnik. He really has nowhere to go. For the first time, the people in the Serb Republic have shown the world what and how they think, so that the world community, like it or not, will have to begin to respect the Assembly of that nation. The proof of how seriously the Serb 'no' at Pale was taken is the fact that war in Kosovo has been temporarily postponed. And when that 'no' was confirmed by the people as well through the referendum, the Vance-Owen plan was definitively degraded."

The question of participation by the authorities in the Republic of Serbian Krajina previously and before the Assembly in Beli Manastir for people from the leadership of the Serbian Radical Party appeared to be a good proposal. However!

"It was proposed to us that we be given participation in the government of around 30 percent," Leskovac recalls. "Solid parity, nothing else. But we said that we would accept that offer if other relevant factors also entered the government. In the end we realized that we had been thoroughly outmaneuvered by the group of people headed, once again, by Goran Hadzic. A cabinet post was offered only to me, which of course is more than ridiculous, and that offer was flatly rejected. Elections in both the RSK and the RS are inevitable, and until the first free, democratic elections are held, this sort of archaic situation will endure here."

But the referendum on unification with the Serb Republic itself, Leskovac believes, will show that the Serb nation is a political corpus, and even the international community will not be able to ignore this fact.

"The existence of our two states today, and of one tomorrow, cannot be avoided. After unification, we face a big task and the struggle for international recognition. I do not know whether we will verify the right to self-determination in the world in one, two, or five years. But I know very well that we will have to win affirmation of our desires and autonomy eventually," Leskovac concludes.

Istrian TV To Renew Operations

93BA1222C Zagreb VJESNIK in Serbo-Croatian 8 Jul 93 p 20

[Article by Mirko Urosevic: "Istrian TV Awaits Frequency"]

[Text] *Istrian Television has been founded by the Zupanija Assembly, but reactions have been coming in from the opposition and from the existing "Istrian Program Plus."*

Pula—At its first working session, the Zupanija Council of Istria Zupanija adopted a resolution on establishing Istrian Television, which will also have a zupanija orientation. At the same time, Denis Mikolic of the Secretariat for Social Affairs was named director of Istrian Television, and that body will perform other professional duties until the zupanija gets its money.

According to the resolution by members of the Istrian Zupanija Council, Istrian Television will be a limited-liability company, it will conduct business on a commercial basis, and it will acquire all necessary equipment through additional capitalization, with the use of private capital.

The founding of this television facility (the founder is the Istrian Zupanija Assembly) has attracted public interest, and the first reactions have come in from the ranks of the opposition (HSLS [Croatian Social-Liberal Alliance]) and from the existing regional television "Istrian Program Plus." This is in fact the third attempt now to give Istria its own regional TV service. Istrian television began operation for the first time on 28 April 1990, when the first program was broadcast, and then broadcasting continued periodically over the course of six months, as well as 24-hour service on Channel 39 of Ucka.

The program shut down after disagreements emerged, but the following year "Istrian Program Plus"-Television and Radio Istria was registered, within the framework of which separate entities were set up—transmitters, hookups, and a press agency. The head of "Istrian Program Plus" is Bogoslav Petean, who also headed the previous regional television project. In order to ensure technical and other preconditions for broadcasting the regional program, "Istrian Television Plus" [ITP] brought suit against the Ministry of Transportation and Communication, which had assigned all frequencies to HTV [Croatian Television]. This case is now before the Constitutional Court, and ITP expects that this regional television service will be awarded a frequency—i.e., the aforementioned Channel 39—in accordance with constitutional provisions prohibiting all monopolies. Accordingly, it can be expected that the newly founded Istrian Television will also present a demand for the use of a frequency to the same ministry, and that it will face the same procedure.

At the same session of the Istrian Zupanija Assembly, during debate on the founding of Istrian Television, it was objected that it should be a joint-stock company in order to eliminate any privatization. The council members rejected this suggestion, so that speculation ensued about what is behind all this, but it was said that only the zupanija's interests are at stake. In the words of the acting director of Istrian Television, that company will employ at most 10 persons, and in his words there are enough technical and journalistic staff in Istria for the new television station.

Embassy Opens in Slovakia

LD2107215393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 21 Jul 93

[Text] The Embassy of the Republic of Croatia has opened in Slovakia. It has become the eighteenth embassy to open in Slovakia. The embassy will be temporarily housed on Breslingova Street in Bratislava.

Drnovsek, Peterle on Political Achievements

93BA1202B Ljubljana DNEVNIK in Slovene 26 Jun 93 p 4

[Article by Marjan Lacic: "Still a 'Strange' Coalition"]

[Text] *Janez Drnovsek and Lojze Peterle on the second anniversary of Slovenia's independence; so far the government's activity has been more stable than some people expected.*

Ljubljana, 26 Jun—Although Prime Minister Janez Drnovsek and Foreign Minister Lojze Peterle, judging by their opening words, wanted to talk about Slovenia's achievements in the past two years, their press conference on statehood day turned into primarily a reiteration of current political topics. The occasion, of course, was the letter that six people recently wrote to President Milan Kucan, returning the decorations that they had recently received. Drnovsek and Peterle viewed this act as a personal decision by individuals, which, even though Ministers Jansa and Peterle were among the signatories, will not influence the solidity of the "slightly strange" government coalition.

Janez Drnovsek emphasized that the present government coalition was put together in such a way as to ensure that the government would be as solid as possible. The partners which cooperated in forming the government coalition have realized and are aware that at this time political stability is crucial for Slovenia, since it is the only thing that will make it possible to solve the unsolved economic, developmental, and political problems. Antagonism between the regime and the opposition, and between the work of the parliament and the government, is completely normal for a multiparty democracy.

According to Lojze Peterle, the Christian Democrats joined the government for the entire four-year term. In his opinion, that government has more possibilities than it seems to some people, and so far its status has been more stable than some people expected. With respect to the content of the coalition alliances, Peterle's answer to a question about the interpellation on Minister Kozinc's work was also interesting. Peterle said that he supported the general position that an interpellation could only apply to current work and not to "history." In general, it is very questionable to accuse an individual (for political purposes) of collaborating with the secret police, since we know what happened to the dossiers. Lojze Peterle emphasized that personally he was therefore very cautious about these matters, although he would like the truth to be revealed. According to Drnovsek, there was less collaboration with the secret police in Slovenia than elsewhere. In this regard, it is important for the matter to be resolved in principle, so that the same positions would apply to everyone equally.

The prime minister and foreign minister also spoke about some aspects of Slovene foreign policy. Both of them emphasized that the Yugoslav period was over for Slovenia, since it saw its future in European ties. Of course, we are interested in peace and cooperation with all the states on the territory of the former Yugoslavia, but not in a revival of the community that has already collapsed twice. Slovenia also will not permit itself to be forced into certain ties but will instead decide on all ties in view of its own interests. In this regard, Lojze Peterle also emphasized that Slovenia was not changing its position on Bosnia-Herzegovina. Our goal is to preserve Bosnia-Herzegovina as a state, but our possibilities in this regard are limited. The collapse of Bosnia-Herzegovina could be very dangerous, although it seems that new maps have already been drawn.

Janez Drnovsek devoted particular attention at the press conference to economic topics. In this regard he predicted optimistically that the biggest economic problems were behind us and that he expected the first signs of a gradual economic revival as early as next year. It is true that in recent years there has been an increase in unemployment in Slovenia, which has reached 13 percent, and it is true that production has declined by 6.5 percent, which is not alarming in view of the fact that in Spain, for instance, they have 22 percent unemployment or that the average decline in production in the other former socialist states has been 15 percent, even though they did not lose important markets to the extent that we did. The key matter in the economic area will be privatization. New economic growth depends upon the speed and success of implementing this process.

Federal

Karadzic Believes Izetbegovic Will Go to Geneva

LD2107203993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1931 GMT 21 Jul 93

[Text] Mrkonjic Grad., 21 Jul (TANJUG)—Radovan Karadzic, president of the republic of Srpska, said in a statement for Banjaluka TV today that he believed "Izetbegovic will go to Geneva for talks."

He added that the Serb side did not attach too much importance to Izetbegovic's ultimatums, but that it truly wanted to make life easier for the people in Sarajevo.

"We put in a great deal of hard work to secure steady water, electricity, and gas supplies for this town although Muslim units are frequently obstructing this. Sarajevo residents will be able to breathe a sign of relief as Izetbegovic is now obliged to negotiate. If he does not, the events will negotiate for him, which means that Muslims are in danger of losing everything," stressed Karadzic.

The president of the republic of Srpska added that "the media throughout Europe and the United States are now reporting that Muslims are not a nation, that they do not deserve a state, that the whole thing was the fabrication of Broz Tito and that it cost them an enormous number of lives and a great deal of suffering."

Claes in Belgrade; Izetbegovic To Attend Geneva Talks

LD2107221393 Belgrade TANJUG Domestic Service in Serbo-Croatian 2102 GMT 21 Jul 93

[Excerpt] Belgrade, 21 Jul (TANJUG)—The president of the EC Council of Ministers, Belgian Minister for Foreign Affairs Willy Claes, arrived in Belgrade tonight.

Claes arrived in Belgrade following his visit to Zagreb and Sarajevo. Claes is staying in the area of the former Yugoslavia under the EC's mandate, which tasks him with talking to all the sides in the Bosnian conflict into coming to the negotiating table.

In his brief statement to the media at Belgrade airport Claes said that in Sarajevo he had obtained Muslim leader Izetbegovic's assurances that he would attend the talks in Geneva toward the end of this week. [passage omitted]

Claes Threatens Further Sanctions Against FRY

AU2207121893 Paris AFP in English 1202 GMT 22 Jul 93

[Text] Belgrade, July 22 (AFP)—Belgian Foreign Minister Willy Claes said here Thursday that he had "some very important messages" to give to Serbian President Slobodan Milosevic, and spoke of further sanctions against the rump Yugoslavia.

Claes, making a tour of ex-Yugoslavia on behalf of the European Community—of which his country currently holds the presidency, threatened further sanctions against the Yugoslav federation (consisting of Serbia and Montenegro) if the military offensives in Bosnia-Herzegovina did not stop.

"We (in the E.C.) are worried about the deteriorating situation, particularly in Bosnia-Herzegovina," said Claes, who landed here after visits to Croatia and Bosnia to drum up support for the all-party peace talks due to begin this weekend in Geneva.

"The delivery of humanitarian aid is becoming more and more difficult, even dangerous."

"These are not the conditions under which the parties can re-open negotiations in Geneva," he said.

"The military offensives in Bosnia must stop," he added.

"If that does not happen I believe that the international community will decide to reinforce the sanctions (against Yugoslavia). I think it will decide in favour of sanctions which it has not agreed to so far."

Claes, who did not say what sanctions he had in mind, was originally due to meet Milosevic later Thursday.

But by lunchtime no time had been given for the meeting and Serbian officials were saying that Milosevic would not be in Belgrade before the weekend, Claes's press spokesman told reporters.

Milosevic and Croatian President Franjo Tudjman have agreed to attend the Geneva talks.

A full-scale artillery battle erupted in Sarajevo Thursday as members of Bosnia-Herzegovina's collective presidency were meeting to decide on their participation.

Bosnian Serbs, Croats Fight Jointly Against Muslims

93BA1213D Belgrade VREME in Serbo-Croatian 5 Jul 93 p 32

[Article by Dejan Jelovac: "For the Homeland, for the King, Forward!"]

[Text] The three national propaganda machines always have three similar, but again different, interpretations of events in and around Konjic. Thus, Muslim Radio Sarajevo announces that "this morning once again Croatian forces have been shelling the positions of the Bosnia and Herzegovina Army from the hill position of Ljubin, killing on that occasion...."

Over Serbian radio, the Muslim forces provoked the front lines of defense with infantry fire and fire from antiaircraft machine guns. The republic of Srpska army [VRS] responded to the provocations, but there were no casualties.

Croatian radio made only the spare announcement that today there were again attacks of the so-called Bosnia-Herzegovina Army and that forces of the HVO [Croatian Defense Council] had silenced the hostile batteries in response.

From those three news items, it really would be possible to make the one which fits the truth best: This morning, forces of the Bosnia-Herzegovina Army attacked Croatian forces of the HVO stationed near the village of Turija, on the left bank of the Neretva, with fire from mortars and antiaircraft machine guns. VRS artillery responded to the fire and silenced the enemy. There were no losses in the ranks of the HVO and VRS.

Allies

Precisely so, because the HVO forces in that region do not have artillery, and they had yielded the hill position of Ljubin, which dominates Konjic, to Serbian forces. It might even be confidently said that the HVO Herceg Stjepan Brigade, which operates in that region, might be called a shock unit of the VRS.

The settlement of Borci, which is on Boracko Jezero [Borci Lake], some 10 km south of Konjic, is almost unreal in its nature and beauty. Only the distant rumble of Croatian-Muslim battles brings back the reality of war.

Milos Andric, an officer in the Serbian Army, who was our guide that day, explained that what we heard were fierce battles around Boksevice Mountain, where the HVO was attempting to restore the communication recently lost between Mostar and Sarajevo.

Later, in the first Serbian lines on Vrapac, from which you look down on Konjic as at the palm of your hand, Andric related anecdotes from the battle that ended recently when two infantries—the Serbian and Croatian—moved together against the same enemy. One HVO fighting man at that time, calling out to his fellow fighters, shouted: "Forward, for the homeland!" The "Chetnik" who was beside him in the assault shouted to his own fighting men: "Forward, for the king!" to which the HVO lad began to shout, "For the homeland, for the king, forward!" Another HVO fighter, who had lost half of his right leg to shrapnel from a shell, shouted as he lay covered with blood: "Forward, brother Chetniks!"

"It sounds incredible, but that is how it is," Andric continues, "the Croatian children in Turija (a Croatian village right near Konjic) are raising three fingers, and they all are listening only to Srna, while members of the HVO are most of them wearing cockades on their cap along with the checkerboard."

That tale, which at first sounds a bit incredible, was confirmed that same night. Captain Dragan Slijepcevic of the command of the 2d Light Brigade of the VRS, which is quartered in Borci, exchanged several sentences by radio with commanders of the HVO, who were interested in "whether there is any news from the south." Capt. Slijepcevic said "that thing" from the south is arriving and that in the morning they were preparing cakes, probably referring to our visit.

That same night, two-thirds of the three-member joint commission from Konjic, whose task is to halt the conflicts between the Croats and Muslims, arrived on a visit to Borci. The Muslim emissary spent the night in the Croatian village of Turija, but the Croat and Serb sneaked out and came to the Serbian command to supply information about Muslim activities in Konjic. The main problem was how to get back to Turija, which is 15 km away, before the Muslim member of the delegation woke up and found that he had been deceived.

In his conversation, Capt. Slijepcevic did express some reserve in connection with this alliance and fraternal love with the HVO. "They are not to be trusted.... To be sure, they did pull out a few hundred Serbs from Konjic, but they never thought of an alliance with us until they were personally in a hopeless situation. At the same time, this suits us, they are now our infantry, and the Muslims must get by them to get to us. In providing them support, we are actually defending ourselves. So far, we have already been in a difficult situation twice, twice they threatened that they would surrender to us with all the civilians. It is no small thing to feed a few thousand civilians and about 500 fighting men. It was all we could do to talk them out of it."

Humanitarian and Other Aid

The Serbian village of Bijela, which as the crow flies is a few hundred meters from the first Serbian line on Vrapac, is reached by a road that is some 15 km long and was built during the war, of which Major Boro Antelj, brigade commander, is particularly proud. "We managed both to defend ourselves and at the same time build the road. Until we finished it, we supplied our fighting men in Bijela on foot and horseback. We carried out the wounded by hand. Now, it is nevertheless easier."

There was an unusual scene at approximately one-third of the way. Some 10 trucks, and around them people in differing uniforms were loading and unloading something. This is "that thing" which is coming from the south—humanitarian aid. Garo, one of the HVO commanders, treated us to beer from Lasko and a Ronhil cigarette. What the commanders did not want to tell we learned from the whispering back and forth of soldiers on the two sides. This is not just humanitarian aid, unless recently it has been transported in wooden crates.

It is prohibited to take pictures, but he nevertheless does so on the sly.

Benefit and guile seem to be the basis of this newest alliance. The VRS could get along without it, in a few hours it could erase from the face of the earth the handful of a few hundred HVO fighters surrounded by Muslims in a small area on the one hand and by its own units on the other.

But this way the Serbs have an infantry which, in defending itself and the civilian population, is also defending the front line of the Serbian defense.

At the same time, the HVO faces a Muslim formation which is impassioned by the hopeless situation and above it the angry Serbs, who still have not forgiven them the massacre that occurred last year in the village of Bradina near Konjic, in which both Croats and Muslims, allies at the time, took part, so that they really have no choice. Either join the Serbs (so long as it suits the latter) or into the Neretva.

At battalion headquarters, they are waiting for the "cakes" mentioned in last night's conversation: a team of Croatian negotiators: a battalion commander, the chief of staff of the Herceg Stjepan Brigade, the secretary of the HDZ [Croatian Democratic Union] for Konjic, and a monk. The negotiations with the Serbian side take a long time. They are obviously agreeing about new deliveries of humanitarian and other aid and upcoming actions.

"For me, the war is over between the Croats and Serbs. I wish it were that way in all parts of Bosnia-Herzegovina and Croatia," says Drago Simunovic, HDZ secretary and assistant brigade commander (political commissar—author's note), following the several hours of negotiations.

"On behalf of the command of the Herceg Stjepan Brigade, I want to thank our Serbian neighbors, who extended the hand of friendship and helped us when there was a danger of Croats disappearing from these areas. Everything that has been done so far and that I hope will be done is the result of our attitude toward the Serbian civilian population over the last year. Both we and the Serbs want to go back to our age-old homes and resume life in peace. It appears to be altogether different with the Muslims, judging by their most recent offensive. That is their problem. I think that we Serbs and Croats will find ways of bringing this war to an end. If the Muslims come to their senses and accept reality, which is being imposed on them not just by us here, but by the entire world, it will be good for them; if they do not, that is their problem."

The Bishop and the Monk

Brother Slavko Antunovic is happy because of the alliance of Croats and Serbs, and he heard from Croatian fighting men about the visit they received from Bishop Atanasije of Herzegovina, who even played soccer with them. "All of that is good and constructive and should be continued, so that peace comes for every man and every people. If this cooperation and this aid are aimed in that direction, then everyone should support it."

Mr. Dragan Jurjic, chief of staff of the Herceg Stjepan Brigade, was somewhat more definite and realistic in revealing part of the real picture of this alliance: "Events in these areas forced us to cooperate with those who until yesterday we looked at through our gun sights. For two days we have forgotten that time, and I think that the politicians should become aware of this as the only way to preserve what few people are left here. The Muslims are very strong in these parts, they have brought people from eastern Bosnia, and there are quite a few mercenaries, mujahedin, from Iran, Kuwait, and Morocco. They have obtained weapons mainly through UNPROFOR [UN Protection Force] channels, and we have proof of that. Everywhere it is a question of money. As for the borders of Herceg-Bosna, we have no dispute with the Serbs, while neither side can live any longer with the Muslims. I think that through a joint effort we will force the Muslims to leave these parts."

Colonel Risto Lazarevic of the VRS judged that good deeds are being repaid in kind, because "they pulled more than 700 Serbs out of Konjic," but in areas where they do not have cross claims, they will accommodate the Muslims just as well (this caused an uneasiness which was very visible in the faces of the HVO officers who were present).

Some 15 km from Foca (7 km beyond Ustikolina) on the first Serbian line in the direction of Gorazde, the situation about which Lazarevic speaks hypothetically will probably never occur.

Not far from the positions of the mortar battery, in the shade, a group of soldiers is playing dominoes. They have come from Trebinje, so they were told, to stroll into Gorazde.

There have been no very fierce conflicts for several days now, only Muslim snipers are active—accurate and fatal. Two days ago, a sniper hit an unwary Serbian fighter precisely in the head at 200 meters. "They are conserving ammunition and everything they fire goes to the head; their sniper leaves no wounded," says platoon sergeant Dragan Mijovic, and he continues: "It is well-known that one of the best hunting societies in the former Yugoslavia was active in Gorazde. They can let you walk in front of their lines for two days, and on the third day you disappear."

The unit's command headquarters are located some 200 meters forward, on the very first line of the front, which is reached, for safety's sake, in an armored personnel carrier. Nedeljko Vidakovic, whom Vojislav Seselj appointed vojvoda of Herzegovina, also visited the Trebinje unit, which consisted mainly of members of the Serbian Radical Party.

Firing from a triple-barrel gun is heard, because movement has been noted on the hill, about 200 meters to the right. Platoon sergeant Mijovic adjusts the fire. "A few days ago, a white unmarked vehicle tried to approach the Serbian lines without any notice whatsoever. Fire was opened on it with every possible weapon, and we learned later that those were members of the UNPROFOR."

No information about possible casualties they had taken had come from the UNPROFOR before this issue of VREME went to press.

Commenting on the obvious Serbian superiority in weaponry, Mijovic says that the Muslims have mortars, but lack ammunition.

"So they hit us every day with Malyutki. They are getting some ammunition in airdrops, but those are all small amounts. We are here, and we will go into Gorazde if called upon to do so," Mijovic concludes.

Serbia

Danica Draskovic: Regime Must Be Fought 'on Street'

AU2207102093 Belgrade BORBA in Serbo-Croatian 19 Jul 93 p 25

["I.K."-signed report: "I Will Not Stop"]

[Text] I will not stop. Being beaten has given me great energy. They have convinced me that I have to go on fighting to the end. I have experienced the dictatorship on my back, and I have no more dilemmas. This is what Danica Draskovic said at Saturday's [17 July] session of the Belgrade Circle of Intellectuals.

Making very concrete statements, Mrs. Draskovic said that one could only fight Slobodan Milosevic's regime on the street. "This however, will not be as stupid as it was on the night of 1-2 June. It will be organized. We can do nothing in the parliament because this is abuse of the multiparty system, and I believe that we should leave the Assembly. They came to power via the street, and that is how they will leave. Had Causceacu repeatedly held new elections, he never would have fallen from power. We have to prepare and wait for social unrest."

Mrs. Draskovic stressed that she was going to sue all the doctors who abused their position and the individuals who, on that fateful night, stormed the offices of the Serbian Renewal Movement.

"The entire world, Catholics and Muslims, supported us. This is evidence that they do not hate us, even though we are Orthodox. We were also supported by other nations in Serbia," said Mrs. Draskovic, and particularly expressed her gratitude to Ibrahim Rugova for appealing for the release of her husband and herself.

Macedonia

Prime Minister Crvenkovski on Country's Problems

AU2007131893 Budapest NEPSZABADSAG in Hungarian 20 Jul 93 p 2

[Interview with Macedonian Prime Minister Branko Crvenkovski by Anna Friedrich in Budapest; date not given: "Crisis From Kosovo to Kosovo"]

[Text] Macedonia, one of the former Yugoslav republics, was accepted as an associate member at the recent summit meeting of the Central European Initiative. Our correspondent asked the prime minister of this republic about the country's problems.

[Friedrich] Given the large number of Albanians among its population, how is Macedonia solving the national minority issue?

[Crvenkovski] The national minority issue cannot be solved by a stroke of a pen. In view of what has happened in our region, I can say that we have solved this issue much better. I can not only refer to the constitutional and legal solutions but I can also give you practical examples. Not only the Albanians, but all the other national minorities made use of the right of political organization. There is a coalition government in Macedonia, and the Albanian party is a prop of the coalition.

[Friedrich] What does the presence of UNPROFOR and the U.S. troops mean for Macedonia?

[Crvenkovski] This is a unique UN mission, a unique example in the world in which UN troops are deployed to prevent conflicts. We hope that their presence will contribute to preventing a conflict, although it is very difficult to predict the future in the Balkans, because logic and rationale are not the decisive factors here.

[Friedrich] Do you really fear a foreign attack from Serbia or from some other area?

[Crvenkovski] The danger is there, and this is not only our evaluation of things but also the opinion of our friends. Kosovo is our immediate neighbor, and Kosovo is still an open question. Many people think that the entire Yugoslav crisis began in Kosovo and that it will end there too. I do not know whether this will happen, but it is a fact that Kosovo is an unsolved issue. As a neighboring country, we think that the Serbs and the Albanians in Kosovo are so far from each other that we cannot count on a quick solution to the conflict. Learning from the tragedy of Bosnia-Herzegovina, the entire international community must help to solve this problem, so that we will not have to pay a high price later.

Kosovo

Rugova on Possible Unification With Albania

AU2207080593 Vienna KURIER in German 22 Jul 93 p 3

[Unattributed report: "Rugova No Longer Against New Borders"]

[Text] Three years of pacifist resistance have not achieved anything, from the viewpoint of the Kosovar Albanians: Serbia's repressions in the Albanian province continue to escalate; in a village in northern Kosovo there has already been "ethnic cleansing." Serbian police forced their way into several Albanian houses and told the inhabitants to "leave their houses as quickly as

possible and to move to Albania, otherwise they would be killed," opposition leader Ibrahim Rugova said in an interview with Austria Presse Agentur.

Rugova announced a potential change in the Albanians' attitude. "If the West accepts the ethnic principle in Bosnia, we, too, want to take new steps." This means that changes in the borders and unification with Albania might be demanded in the future.

Albanians Will 'Reconsider Policies'

AU2107182793 Vienna ORF Television Network in German 1730 GMT 21 Jul 93

[Text] The Albanians in the province of Kosovo, which is ruled by the Serbs, are threatening the accession of their province to Albania. Kosovo president Ibrahim Rugova, who is not recognized by the Serbs, has intimated such a step. If Western Europe accepts the forcible division and change of borders in Bosnia, the Kosovar Albanians will have to reconsider their policies. The Serbs have already started ethnic cleansing in Kosovo, Rugova said.

Serbian Police Raid Vushtrri Market, Arrest 50

AU2107165893 Tirana Radio Tirana Network in Albanian 1330 GMT 21 Jul 93

[Text] The Serbian police made arrests at part of the Vushtrri market, in which the majority [words indistinct] sellers of foreign currency. On this occasion, those affected were mostly passers-by found with foreign currency, after they had sold [words indistinct] or had come to the town [words indistinct] to obtain consumer goods. Unofficial reports state that approximately 50 people were arrested, some of whom [words indistinct], while the Serbian police confiscated only goods belonging to Albanians.

Vojvodina

Russian Minister Churkin Visits Ethnic Hungarians

AU2107125193 Budapest MTI in English 0834 GMT 21 Jul 93

[Text] Budapest, 21 July (MTI)—Russian Deputy Foreign Minister Vitaliy Churkin on Tuesday [20 July] visited Novi Sad to discuss the position of ethnic Hungarians with relevant local authorities and the Democratic Community of Vojvodina Hungarians (VMDK).

VMDK President Andras Agoston told NEPSZABADSAG that Churkin's initiative in the talks proved that the unsettled situation of Vojvodina's Hungarian community continued to be a peace conference topic. This was important in view of recent indications that certain forces would like to remove the question from the agenda.

Agoston stressed the VMDK had wanted dialogue from the beginning, and that its democratic autonomy concept was also applicable in other regions under different circumstances.

Churkin noted that the majority's word on the settlement of the situation of the minorities was not enough if it did not include the minorities' confirmation.

Agoston believed the discussion with Churkin would improve VMDK chances to adequately represent the interests of ethnic Hungarians in Vojvodina at international forums. This end was served by the effective diplomatic support received from Hungary, he added.